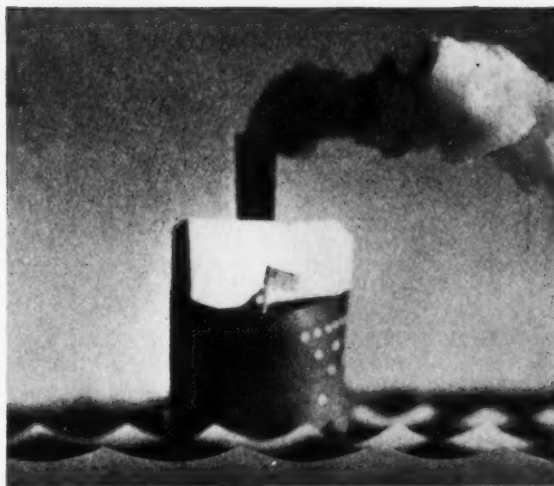


# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 28, 1932

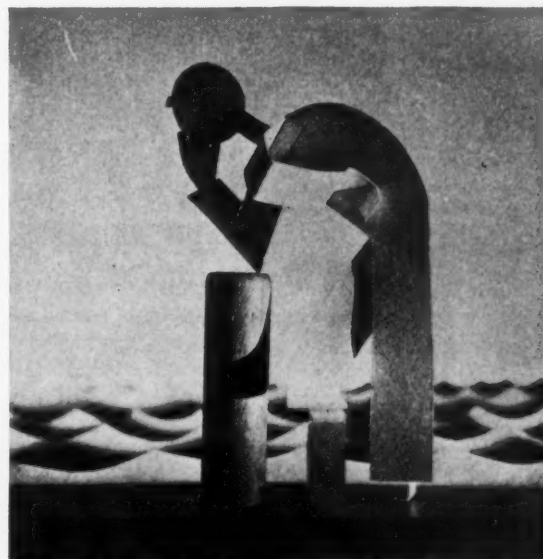
## WHEN THEY KNOW THEY'RE NOT FORGOTTEN



The man they can't forget is the insurance agent who did so much to give them freedom from worry while they were on their trip. He pointed out to them the need for Tourists Baggage insurance. He explained other coverages to them as well, and they bought such fire and casualty policies as would assure them that many of the things which might happen at home would not ruin their trip abroad. . . . To keep you posted on the inland marine and other fire lines which take on an added significance during the vacation season, the current issue of The Employers' Pioneer is devoted largely to The Employers' Fire Insurance Company. What are the duties of the insurance fraternity as respects fire preven-

*by the man  
they can't forget*

tion? Is there really a tornado belt? Is the assured always able to keep the fire hazard in his own home at a minimum? Is the present day danger that of being over-insured, fire-wise? . . . These, and other questions are discussed in this issue. Your request places your name on the mailing list, at no obligation on your part. Write the Publicity Department, 110 Milk Street, Boston.



## THE EMPLOYERS' GROUP

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NORWICH UNION  
policies and service  
have world-wide  
reputation

## NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

75 Maiden Lane, New York  
*Hart Darlington, Manager*

## Eagle Fire Company of NEW YORK

Incorporated 1806  
75 Maiden Lane, New York  
*Hart Darlington, President*  
*The Oldest New York Insurance Company*

## NORWICH UNION INDEMNITY COMPANY

75 Maiden Lane, New York  
*Hart Darlington, Chairman of the Board*  
*H. L. Callanan, President & General Manager*  
*In NORWICH UNION there is strength*

# COMPANIES

# THE STABILITY OF INSURANCE

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in times of depression is being demonstrated today. Reinsurance contributes much to the stability of every carrier.

THE INTER-OCEAN REINSURANCE COMPANY serves the direct-writing fire insurance companies today with the best facilities of modern times backed up by financial security.

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## INTER-OCEAN REINSURANCE COMPANY

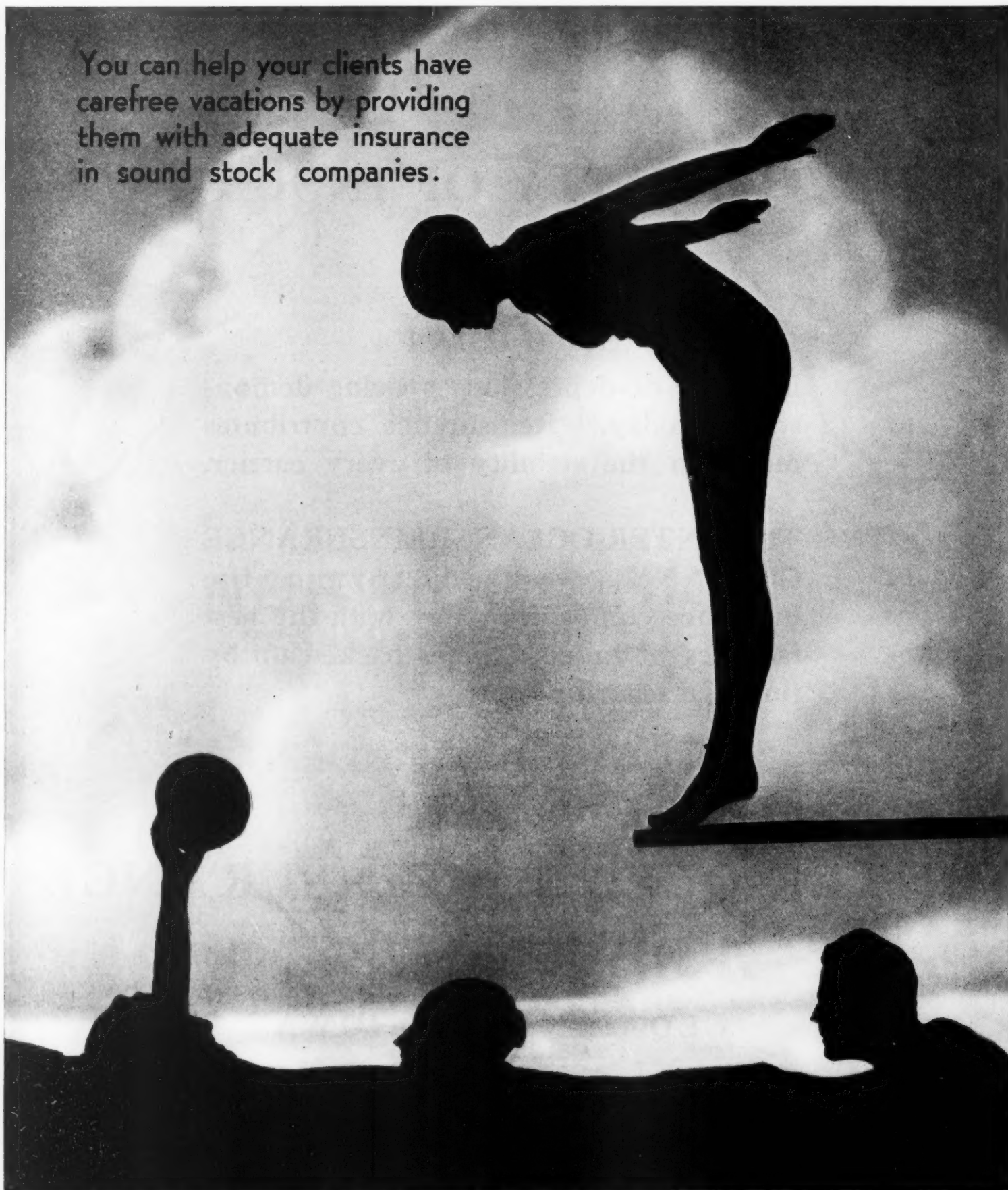
CEDAR RAPIDS, IOWA

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REINSURANCE OF FIRE, TORNADO AND AUTOMOBILE LINES



You can help your clients have carefree vacations by providing them with adequate insurance in sound stock companies.



**The AMERICA FORE GROUP of Insurance Companies**  
 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY  
 AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

*Eighty Maiden Lane,*

**THE FIDELITY AND CASUALTY COMPANY**  
 ERNEST STURM, Chairman of the Board  
 BERNARD M. CULVER, President  
 ERNEST STURM, Chairman of the Board  
 WADE FETZER, Vice Chairman  
 BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



# The National Underwriter

Thirty-Sixth Year No. 30

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 28, 1932

\$4.00 Per Year, 20 Cents a Copy

## Seek To Purchase Some Companies

Wall Street Houses Feel They  
Can Profit on the  
Investments

## LOOK FOR THE UPTURN

Financial Men See Handsome Returns  
Where They Can Purchase Sea-  
soned Securities

NEW YORK, July 27.—In the opinion of the underwriting fraternity the present effort of several persons, understood to represent various Wall street interests, to purchase both fire and casualty companies in order to secure their assets, indicates the confidence felt by financiers that a steady upturn in the market may be looked for, and that securities bought at present figures will yield substantial returns later on. Approaches have been made to a number of companies with a view to purchase, the prospective buyers seemingly being conversant with the character of securities in the portfolios. The would-be buyers are not so much concerned as to the type of business of the companies approached, other than to assure themselves that it can be insured at a fair figure.

### Assets of Good Quality

By and large the assets held by the established companies are of excellent character, their real worth by no means being reflected in current market quotations. As Superintendent Van Schaick of this state maintained recently, while the figures as recorded on the exchange under normal conditions furnish a fair guide as to values, they are not to be so regarded at present, when thousands of shares are forced to the auction block to supply funds for corporations or individuals compelled to get immediate cash. Knowing the real worth of their stock holdings, some companies in need of funds have borrowed on their securities rather than sell them outright, appreciating that if they were disposed of under existing conditions they would bring but a fractional part of their real worth.

### Faith in Strong Concerns

As a concrete example, one of the strong fire companies owns several thousand shares in a corporation which for many years had been held in the highest possible repute with discriminating investors, but the quoted value on the big board is now far below former figures. Despite market quotations a syndicate offered to purchase the entire block at nearly five times the quoted figure, thus evidencing its faith in the ultimate value of the stock. Possessing equal faith, however, the management of the company declined to consider a sale, and the shares continue to appear in its portfolio.

(CONTINUED ON PAGE 31)

## Hearing on Overlapping Issue in New York Aug. 3

Van Schaick in Tentative Ruling  
Defining Marine Covers  
for Guidance

NEW YORK, July 27.—Seeking further to arrive at a satisfactory solution of the differences that have existed between the fire, casualty and marine companies by virtue of the encroachment of marine carriers into fire and burglary lines, Superintendent Van Schaick put out a tentative ruling upon which he will hold an open hearing Aug. 3. "Committees representing the companies," he states, "spokesmen for agents' and brokers' organizations and other concerned groups are invited to attend the gathering and present their views and/or file memorandum relative to the ruling."

The intent of Section 150 of the insurance law has never been clear; the marine writing companies holding it permitted them wide latitude as to rates and forms of coverage, enjoyed a distinct advantage over other classes of companies in seeking the same kind of business.

Conferences on the subject were held from time to time by department officials with representatives of fire, casualty and marine companies, and while a measure of progress resulted, no fully satisfactory accord was reached. In order to clarify the situation Superintendent Van Schaick has now tentatively ruled as to the types of property that may be covered under marine or inland transportation policies, as well as risks barred therefrom as follows:

### Van Schaick's Ruling

I. Marine and/or transportation policies may cover property under the following conditions:

A. Property shipped on consignment. 1. Imports and/or exports wherever the property may be, provided the coverage of the issuing company includes hazards of transportation from or to foreign countries or United States possessions.

2. Domestic shipments. (a) Property shipped on consignment for sale or distribution, while in transit and not exceeding 30 days after arrival at consignee's premises or other place of storage or deposit. Such policies shall only be issued where the transit hazard is included.

(b) Property shipped on consignment for exhibit or trial or approval or auction while in transit, while in the custody of others and while being returned. Such policies shall only be issued where the transit hazard is included.

### Not on Consignment

B. Property shipped not on consignment.

1. Imports may be covered in such places of storage as are usually employed by importers, but only as to property on which the issuing company has covered the hazards of transportation from foreign countries or United States possessions.

An import as a proper subject of marine and transportation insurance shall be deemed to maintain its character as such so long as the property has been segregated in the original form or pack-

### Committee on Valuations for 1932 Statements Named

Superintendent Van Schaick of New York, as chairman of the valuation committee of the National Convention of Insurance Commissioners, has named the members of the sub-committee on valuations of securities which will consider values to be used in the next annual statements. The members are Commissioner Dunham of Connecticut, Commissioner Brown of Massachusetts, Superintendent Hanson of Illinois and Deputy Commissioner Gough of New Jersey. The committee is meeting this week in New York.

age in such a way that it can be identified and has not become incorporated and mixed with a general mass of property.

Such import shall be deemed to have been completed and shall lose its identity as such when the property has been:

(a) Sold and delivered by the importer; or

(b) Removed from place of storage and placed on sale as part of the importer's stock in trade at a point of sale-distribution;

(c) Delivered for manufacture, processing or change in form to premises of the importer or of another used for any of such purposes;

(d) Unpacked or uncrated and examined by the importer or accepted and stored in premises owned, leased or controlled by him.

### Domestic Shipments

2. Domestic shipments, beginning and ending within the United States, shall not be covered at points of sale-distribution or manufacturing premises nor after arrival at such points or premises owned, leased or controlled by assured or purchaser, nor for more than 30 days at other place of storage or deposit, except in premises of transportation companies or freight forwarders. The right to insure for 30 days at premises not owned, leased or controlled by assured or purchaser shall be available only where the goods are insured in transit.

C. Instrumentalities of commerce, transportation or communication, whether movable or fixed.

Instrumentalities of commerce, transportation or communication, whether movable or fixed, may be insured against the hazards of navigation, transit or transportation.

D. Personal property floater risks.

1. Covering individuals. (a) Personal effects and tourist baggage floater policies covering only such articles as usually accompany a tourist or traveler, but excluding hazards while in the permanent residence of the assured.

(b) Personal fur floaters.

(c) Personal jewelry floaters.

2. Covering individuals and/or generally.

### Fine Arts Floaters

(a) Fine art floaters covering paintings, statuary, rare manuscripts and articles of virtu, but excluding stained glass windows and all carved glass used for commercial purposes. Such contracts shall not cover ordinary commercial property.

(CONTINUED ON PAGE 31)

## Setup of Factory Mutuals Revised

Operations of All Companies Located in Philadelphia  
Consolidated

## R. H. MORRIS PRESIDENT

National Mutual Absorbed by Keystone,  
with Manton Mutual Under Philadelphia Manufacturers Wing

PHILADELPHIA, July 27.—All of the factory mutual companies located in Philadelphia are now operated from one office under Richard H. Morris as president and are issuing a joint policy entitled "Philadelphia Manufacturers Mutual group policy." The new arrangements were made in the interest of efficiency and economy.

As a preliminary step to the consolidation of operations, the National Mutual Assurance was absorbed by the Keystone Mutual. Those two companies and the Manton Mutual have been operated under the same management. Now the Manton Mutual and Keystone Mutual have become affiliated with the Philadelphia Manufacturers Mutual and the three companies are being operated from the offices which the Philadelphia Manufacturers has maintained at 800 Commercial Trust building, Philadelphia.

Mr. Morris, the new president of the three companies, has been the vice-president and assistant treasurer of the Philadelphia Manufacturers Mutual. He has been connected with that company for about 25 years. He is a graduate of Lehigh university.

### Atlee Chairman of Board

Edwin I. Atlee, who has been president and treasurer of the Philadelphia Manufacturers Mutual, now becomes chairman of the board of that company.

Frederick A. Downes, who has been president of the Manton Mutual, Keystone Mutual and National Mutual Assurance, now becomes chairman of the board of the Keystone Mutual and Manton Mutual.

Last year the Standard Mutual Fire of Philadelphia, which was under the same management as the Philadelphia Manufacturers, was absorbed by the Philadelphia Manufacturers.

### Philadelphia Manufacturers

The Philadelphia Manufacturers Mutual was started in 1880. As of Dec. 31, 1931, it showed assets, \$1,911,263; unearned premiums, \$904,152; net cash surplus, \$996,522.

The Keystone Mutual was started in 1885. At the end of the year, it had assets, \$759,370; unearned premium, \$357,254, and net cash surplus, \$354,917.

The Manton Mutual was started in 1894. Assets at the end of the year

(CONTINUED ON PAGE 31)

## C. B. White Heads Washington Men

Much Interest in Work of Local Exchanges at Seattle Meeting

### BOAT TRIP IS ENJOYED

Address of Joy Lichtenstein Is One of the Big Features of the Convention

#### NEW OFFICERS ELECTED

**President**—Carl B. White, Seattle.  
**Vice-President**—J. E. McGovern, Spokane.  
**Regional Vice-Presidents, West Side**, R. E. McHaffey, Tacoma; **East Side**, Bruce N. Hay, Spokane.  
**Secretary-Treasurer**—George R. Thieme, Seattle.

Plans for further development of the activities of local exchanges were strongly featured at the annual meeting of the Insurance Agents League of Washington in Seattle last week. The convention was opened by M. G. Hevly, president of the King County Insurance Association, who called on Wallace W. Miller of Yakima, retiring president of the association, to take the chair.

John F. Dore, mayor of Seattle, praised the insurance business and the good it had accomplished in stabilizing industry in time of stress. He admonished his hearers to see that this stability continues and to strive for even greater heights. He urged the association to continue its work in driving out irresponsible solicitors.

President Miller, in his address congratulated his co-workers on their activities in increasing the membership in both the state and National associations. He thanked especially the regional vice-president and various exchanges and predicted that Washington would have the largest increase in membership of any state and that it would win the National membership cup.

#### Keep Out of Red Ink

In building agencies for the future, President Miller admonished the agents to "keep out of the red ink"; "do not continue to play with parasites; underwrite your business with greater care; see that your local fire department is not cut down; work for the qualification law and strive to maintain a real agency."

"The future of Washington agents," he added, "depends on reciprocity; it must predominate."

The report of Secretary W. F. Bridgeford of Yakima showed that the association is in strong financial condition.

C. B. White of Seattle, chairman of the legislative committee and the new president, advised that prospects were that great interest would be manifested in the legislative phase of the business and that the qualification, limitation and state workmen's compensation laws would be passed, which would be a safeguard to the business. He urged members to get the pledge of candidates to put through measures that will be to the best interest of the business.

R. J. Martin of Spokane, chairman of the contact committee, advised that considerable progress had been made.

Mr. White also reported as national councillor, reviewing the mid-year meeting of the National Association of Insurance Agents at Cleveland. He urged the agents to practice reciprocity. He outlined the metropolitan plan and

(CONTINUED ON PAGE 29)

## Named Secretary



H. M. GILES  
Newly Elected Secretary of the Millers National

## Action on North America Resignation Expected Soon

NEW YORK, July 27.—Action with respect to the resignation of the North America from membership in the Inland Marine Underwriters Association was not taken at the meeting of the organization last Friday. It is regarded as probable that decision will be reached within the next few days, if not through the medium of a further gathering, then by a mail vote upon the matter principally in dispute. Confidence is expressed that a satisfactory solution of the problems involved will be reached, and the integrity of the association maintained.

J. L. Gilchrist, Monarch Loan Company, Wichita, is a candidate on the Republican ticket for probate judge of Sedgewick county, Kan.

## F. S. Danforth Named Head of the Millers National

LE COMPTE IS NOW CHAIRMAN

H. M. Giles, Minneapolis Manager, Succeeds Danforth as Secretary of Chicago Company

Important official changes in the Millers National of Chicago are announced. Frank S. Danforth, who has been secretary and manager, becomes president. Joseph Le Compte, of Lexington, Ky., who has been president, becomes chairman of the board, a position which has been vacant since the death of M. A. Reynolds.

H. M. Giles, manager of the Minneapolis branch office of the Millers National, is the new secretary. He will move to Chicago and take his position at the head office.

#### Danforth's Career

Mr. Danforth started in the insurance business as a local agent in Minneapolis, where he operated from 1879-81. He joined the Millers & Manufacturers Mutual in Minneapolis in 1881 as office boy and progressed through the ranks to become secretary of that company. In 1904 he joined the Millers National as general agent, later becoming assistant secretary and then secretary.

Mr. Giles became connected with the Millers National in 1895 as an office boy, and then got experience as filing clerk and policy clerk. In 1898 Mr. Giles joined the navy to serve in the Spanish-American war. He was assigned to the S. S. Oregon which assisted in the destruction of the Spanish fleet off the Cuban coast. After the war Mr. Giles became reassociated with the Millers National and was sent into the northwest as a field man. In 1906 he was made manager of the Minneapolis office, which he is now relinquishing.

Gleason Allen, assistant manager of the Millers National's Minneapolis branch, is in temporary charge there.

## THE WEEK IN INSURANCE

**Superintendent Van Schniek** of New York issues tentative ruling on what coverages marine companies may and may not issue and schedules open hearing on the question Aug. 3. **Page 3**

Preliminary plans are announced for the annual convention of the **National Association of Insurance Agents** to be held in Philadelphia in September. **Page 4**

Certain Wall street interests are endeavoring to **purchase fire and casualty companies** with excellent investment portfolios thinking that their securities will appreciate and a handsome profit will be ultimately made. **Page 3**

New York department accepts for filing the designation of **J. F. Guinness as United States manager of the Pearl**, but refuses to grant a license to Stevens & Hopps as agents to represent the company. The Pearl gives assurance that it will conduct its business in an orthodox manner. **Page 5**

**Carl B. White** of Seattle is elected president of the Insurance Agents League of Washington. **Page 4**

Business of **Associated Fire & Marine**, except automobile fire, is reinsured with the Pacific National Fire. **Page 6**

**F. S. Danforth** becomes president; Joseph Le Compte, chairman of the board, and H. M. Giles, secretary of the **Millers National** of Chicago. **Page 4**

Fire Insurance figures are given for **Western Underwriters Association territory** showing premiums and losses by the company organization classification. **Page 10**

Brookings Institution of Research completes study of **Alabama insurance** department. **Page 6**

The **National Mutual Assurance** of Philadelphia is absorbed by Keystone Mutual of Philadelphia and the operations of the Keystone, Manton Mutual and Philadelphia Manufacturers Mutual are consolidated under R. H. Morris as president. All of the factory mutuals located in Philadelphia are thus under one roof. **Page 3**

Fire premiums amounting to \$2,193,305 were written in **San Francisco** the first six months of 1932, a decrease of 10 percent. **Page 8**

Chairman of the Board **E. W. West** of the Glens Falls, in a letter to its agents, sees improvement in conditions. **Page 5**

**Hamburg-American** is ordered by New York department to cease operations until its extensive holdings of defunct Security Life are disposed of. **Page 15**

Plan is now being worked out for the **Middle Department Rating Association** to take over the rate making now done by four organizations in three states. **Page 26**

Increased rates for **workmen's compensation** will become effective in all non-regulated states Aug. 1 and advances in all others will be applied as soon as the responsible governing bodies sanction the schedule. **Page 33**

Mutuals still dissatisfied with setup of new **Virginia automobile rating bureau** and may appeal to courts. **Page 35**

Some surety companies are adopting a more liberal policy with regard to **depository bonds**, especially in large banks and big cities. **Page 35**

**Casualty claim adjusters** report that settlements are being effected on a lower basis today, claimants being attracted by the offer of immediate money. **Page 33**

## Admitted Assets Convention Topic

Preliminary Plans for Convention of National Association of Insurance Agents

### BENNETT THE KEYNOTER

Some of the Topics That Will Be Discussed at the Forthcoming Gathering

NEW YORK, July 27.—"Admitted Assets" is the theme on which the program for the annual convention of the National Association of Insurance Agents in Philadelphia Sept. 20-23 has been based. In applying the term so familiar in connection with company statements to the local agent and his work, discussion will center about the assets representing business built through individual initiative, the protection afforded by membership in the National association, and the growing confidence exhibited between companies and local representatives.

P. H. Goodwin and G. W. Carter, chairman respectively of the fire, casualty and surety and of the workmen's compensation conference committees, will tell of developments in each connection.

Consideration will likewise be given the subject of branch offices, and the apparent trend to reduce agency commissions as a condition precedent to increasing rates. Under the broad topic of preparing for the anticipated early business revival, the advisability of including in fire and casualty policies a clause providing for the automatic cancellation in case of non-payment of premium, and of actively aiding in the general highway safety movement, will be discussed.

#### Preliminary Meetings

The executive committee will meet Sept. 19, the regular get-together dinner taking place the evening of Sept. 20, sessions of the national council being held earlier in the day. The first open session will convene the morning of Sept. 21. At the latter meeting after C. L. Gandy as chairman of the executive committee responds to the address of welcome delivered on behalf of the Pennsylvania and Philadelphia associations, President W. B. Calhoun will submit the annual report of the administration, reciting the high points of activity of the organization during the past 12 months.

#### Keynote by Bennett

The keynote of the meeting will be sounded by Secretary W. H. Bennett, the title of whose address will be "Admitted Assets."

Commissioner C. D. Livingston of Michigan, president of the National Convention of Insurance Commissioners, and Superintendent G. S. Van Schniek of New York will be on hand as representing the insurance supervisory authorities, and each may be counted upon to say something well worth hearing. Additional speakers of eminence in various departments of business activity, it is promised, will be secured, their identity to be revealed as soon as the program is completed.

### Export Seeks Membership

SAN FRANCISCO, July 27.—The Export has made application for admission to the Pacific Board. Joy Lichtenstein, Pacific coast manager Hartford companies, is to act as general agent for California and Arizona.



## New York Gives Pearl Decision

Designation of Guinness as U. S. Manager Accepted by Department

### INTEREST IN DECISION

Van Schaick Refuses to License Stevens & Hopps as Agents—Company Gives Pledge

Superintendent Van Schaick of New York has accepted for filing the designation of John F. Guinness as United States manager of the Pearl of London, but has denied a license to Stevens & Hopps as agents for the company.

In his decision Mr. Van Schaick said that the license is denied to Stevens & Hopps on the ground that investigation indicated that Stewart B. Hopps should not be licensed, although George C. Stevens did not enter into the inquiry.

Mr. Guinness succeeds Gilbert Kingan as United States manager. Mr. Kingan was in charge while the Pearl was engaged exclusively in the reinsurance business in this country, but resigned as soon as the company prepared to enter the direct business. Mr. Kingan is United States manager of the London & Lancashire.

#### History of Guinness

Mr. Guinness was connected with the Svea-Hudson organization until 1925 when he became assistant secretary of the National Union. In 1926, he was elected vice-president of the National Union and held that position until resigning in 1931.

Mr. Hopps was connected with the National Union, operating an office in New York to handle countrywide brokerage business. His connection was terminated when John M. Thomas took the helm of the National Union. Thereupon Mr. Hopps and Mr. Guinness went to Europe to seek representation of a fire company, presumably that would offer much the same facilities as the National Union did before the Thomas regime.

Mr. Van Schaick stated that the Pearl has given assurance that it will conduct its business in the United States in an orthodox manner, observing standards established by the rating organizations and regional or local company conferences throughout the country.

#### Van Schaick Decision

"The proposed changes in the status and basis of operations of the Pearl," the Van Schaick decision stated in part, "gave rise to the opinion in certain quarters that plans were afoot to provide a market for cut rate insurance on large, nationwide insurance risks. Publicity purporting to have been released by the company was so interpreted. The insurance business, through concerted effort, has within recent years been successfully bringing risks of such character under a greater measure of control. The introduction of any influence, destructive in whole or in part, of such control would constitute a serious setback to the progress of sound underwriting."

"The New York insurance department accordingly has investigated the plan of operation of the company and the individuals to be associated with it."

#### Pledge of the Pearl

"The Pearl has furnished the New York department with assurances that its standards of business conduct throughout the United States will conform to those established by the rating

(CONTINUED ON PAGE 8)

## New President



FRANK S. DANFORTH

Frank S. Danforth, who has just been elected president of the Millers National at Chicago, has served that company for 32 years. Until now, he has been secretary and manager. He is treasurer of the Western Insurance Bureau.

## Department Issues Warning

California Official Points Out the Danger of Dealing with Unlicensed Companies

SAN FRANCISCO, July 27.—In a warning issued to citizens of California S. H. Beckett, deputy insurance commissioner, points out the danger of transacting business with unauthorized companies, criticizing those attempting to sell California business by radio, mail and other advertising means without being licensed to operate in the state.

"In many cases the name of the unlicensed company is sufficiently similar to that of a successful company regularly licensed thus causing confusion in the minds of the insuring public," he said, pointing out the fact that the policyholder of an unauthorized or unlicensed company has no standing in the state in the event of controversy, misunderstanding or contest over a claim or other phase of coverage. These companies he says "should not be patronized by citizens of this state."

## Some Pertinent Facts Are Given as to the Nation's Fire Loss

The National Board gives some interesting facts on losses. The estimated fire loss for last year was \$464,633,265. Approximately 10,000 people were burned to death last year. In 1929 there were 1,056 fires every day in the year, in 1930, 1,127, and last year 1,277. Last year dwelling house losses comprised 31 percent of the total fire loss. The number of dwelling house fires has increased 50 percent in the last six years. The National Board says that aside from the numerous inherent hazards of housekeeping, four salient causes of the dwelling house fires are: Unsafe construction, lack of fire stopping of walls and partitions, non-standard chimneys and unsafe roofs.

#### Losses of \$10,000 and Over

Fires with loss of \$10,000 or over number 1 percent of the total number of fires and yet they supply approximately 58 percent of the amount of

## Glens Falls Executive Is in Hopeful State of Mind

E. W. West, chairman of the board of the Glens Falls, comes out with a prophetic and important message to the agents of that institution. Mr. West sees the clouds breaking. His observations are encouraging. He says:

"This is the last week of the depression. In making this rather definite statement, I do not want to convey to you the feeling that there is going to be a boom next week but I do firmly believe that with the adjournment of Congress the politician has taken a vacation. It is astonishing to review the work and sayings of our representatives and wonder why and how they ever became selected, to say nothing about elected, as our representatives. This is not a political statement and applies to Democrats and Republicans alike."

#### Gradual Improvement

"With a firm conviction that the American people can and will and are fully capable of meeting all the obstacles that humanity has been confronted with, I am satisfied that the worst is over. From now on, there is going to be a gradual improvement. It does not require much to stimulate general business activity when it is prostrate at one-half of its normal volume. Let's assume that the next few months show it approaching 75 percent of normalcy. See what a transformation is going to come in the matter of confidence to every one. Bond prices are going to improve. If you should happen to know of any one who is hoarding money, you might tip him off that he better bring it out of hoarding and purchase some of the good bonds which are selling from fifteen to thirty points below their true value. If he doesn't bring his money out within a short time, he is going to lose an opportunity to make some money which will not occur again in his lifetime."

#### Inferiority Complex Prevailing

"There is an inferiority price complex prevailing throughout the country. We must overcome it. All the elements entering into the value of a thing must be considered in fixing a price. It is true that everything became inflated. Now everything is extremely deflated. The price level of all things must be raised. More employment and less pessimism will bring an increase of the price level. The manufacturer, merchant and wage earner are deeply interested in the price level. Everything was too high—now everything is too low. Let us spread the gospel of fair

price for fair value. No one gains anything by being able to buy something for 25 percent less than its worth. Somebody was paid 25 percent less than he was worth to produce the thing in order that it could be sold for 25 percent less than it was worth."

"The presidential campaign this year, in my judgment, is going to have no effect upon business—far less than any campaign heretofore. There are only a few who care to vote for a president on the question of whether he is wet or dry. It's going to be a decision as to which of the nominees possesses, in the voter's mind, the highest degree of executive ability. The government is the biggest business in the United States and to select a man to head that business will be the problem of the voters. It matters not whether he is wet or dry. If you want to make an issue of the wet and dry, do it through your vote for congressman and senator. In the final analysis, they are the ones who will vote to take the necessary steps to carry out the platforms of either party."

#### Keep the Government Out of Business

"Here is only one issue that a voter should demand to know from the man for whom he is thinking of voting for president and that is his attitude on government ownership and the government going into business. If he is for either and is elected, it is going to be very much against the interest and well-being of everyone. This message is sent to you because you are one of the small army of leading men whom we have as representatives. We are not unmindful of the fact that some of you have been surrounded with unusually depressing conditions. A number of communities we know of have had banks close and it's rather difficult for them perhaps to shake off the feeling of depression but even they must realize that the bottom has been reached and there is hope of the highest type for the future. Let it be your special province and effort to preach the doctrine that the depression is over. You will find, unless I am guessing wrong, that the price of good bonds and commodities will clearly indicate the correctness of my prediction."

## Special Entertainment for Ladies at Big Convention

PHILADELPHIA, July 27.—A general outline of the entertainment program arranged so far for women visitors to the annual convention of the National Association of Insurance Agents to be held here Sept. 20-23 was given today by A. U. Crosby, chairman of the entertainment committee.

There will be boating trips down the Delaware river, long and short bus trips to historical spots in Philadelphia and vicinity, shopping tours, bridge tournaments (in addition, a card room will be kept going all day long), the use of swimming pools and golf courses. One of the features will be a special putting contest for women.

There is a possibility that, in addition to the Theatre Guild production of "The Good Earth," two big musical comedies will also be playing in Philadelphia at that time and the committee has been promised special rates for any and all productions that will be in Philadelphia theaters that week.

The big ball and buffet-dinner will be held at the Benjamin Franklin Hotel instead of the Downtown Club. This will be Sept. 22. The banquet, for which an unusually brilliant program is being arranged, will be Sept. 20.

A special feature of the entertainment program for the women will be a daily afternoon tea and concert.



## Would Reorganize Alabama Department of Insurance

### COMPLETE BROOKINGS SURVEY

#### Weaknesses in Insurance Law Are Noted—Recommendations Made to Promote Greater Efficiency

MONTGOMERY, ALA., July 27.—The Brookings Institution of Research, Washington, D. C., has just completed an exhaustive survey of Alabama's state government authorized by the state legislature. An interesting phase of the investigation deals with the insurance department headed by Superintendent Greer.

The report recommends that a law be enacted creating a department of business regulation to consist of the following bureaus: The commissioner's office, the bureau of corporations, the bureau of banking, the building and loan bureau, the bureau of insurance, the bureau of securities and the bureau of real estate. It is recommended that a bureau of compensation be established in the bureau of insurance; also that the department of business regulation be headed by a commissioner appointed by the governor with the advice and consent of the senate and removable by the governor.

#### Commissioner Would Appoint Heads

It also is recommended that all heads of the department of business regulation be appointed by the commissioner and be removable by him at pleasure.

According to the proposed plan, the present insurance department would undergo practically no changes and the superintendent would be vested with virtually as much power as at present, except that he would be appointed by the commissioner without term and be

removable at the latter's will. At present the superintendent is named by the governor.

Other recommendations with regard to the insurance department are:

That the insurance bureau fund be abolished and the revenue collection function of the bureau of insurance be transferred to the proposed department of taxation. For years, the insurance department has collected its own revenue, but under this plan, it will be seen, that function is taken entirely from its hands.

The report recommends that the facilities of the bureau of insurance for the regulation of insurance agents be strengthened and the provision of law requiring the bureau of insurance to keep a register of all life insurance policies be repealed.

It is also suggested that the duty of the secretary of state with reference to the filing of instruments by insurance companies, appointing the superintendent of insurance their attorney, be transferred to the bureau of insurance and that supervision of credit unions, now in the insurance department, be assigned to the bureau of banking.

The Brookings plan would place the administration of the workmen's compensation with the bureau of insurance; but if and when a department of industry and labor is established, compensation would be transferred to it. Consideration would also be given to the advisability of strengthening the enforcement provisions of the compensation law.

"On the whole," the report reads, "this survey has found that the work of the bureau of insurance is well-directed, consistently in line with proper objectives, efficiently conducted so far as present appropriations permit, and in accord with high standards of public service."

"The insurance law contains a number of weaknesses, and the legislature should give careful heed to any recommendations made in this connection by

## Cistern Detached From House Is Not Covered

Question: Please advise us if the following loss would be covered under a standard fire policy.

Lightning did some damage to a residence and apparently went into the cistern through the down-spout and through the side of the cistern, causing it to leak. The cistern is on the outside and not in under the house.

Would the damage to the cistern be covered under a standard fire policy?

Answer: When a cistern is detached from the house, it is not covered. Customarily, even if the cistern were located directly underneath the basement floor, it would not be covered. Most policies exclude coverage for everything below the underside of the basement floor.

The superintendent. It would seem advisable to add to the insurance laws of Alabama proper definition of group life insurance, regulations for writing it, and standard provisions for such contracts. The bureau of insurance in Alabama has no power to regulate the investments of insurance companies. Such power should be given to it."

The report observes that the superintendent believes his bureau needs an additional actuary and an attorney, and, the state's finances permitting, this should be given consideration.

## New Detroit Finance Company

DETROIT, July 27.—The Underwriters Acceptance Corporation, a premium finance company, has been organized here and is soliciting business in this territory. Officers are: C. S. Fitzpatrick, president; A. H. Danforth and Carl M. Heck, vice-presidents; W. J. Colquitt, treasurer, and Robert T. Adams, secretary.

## Pacific National Reinsures Associated F. & M. Business

### AUTOMOBILE FIRE EXCEPTED

#### Associated Will Continue in Operation to Write Latter Line With Associated Indemnity

SAN FRANCISCO, July 27.—C. W. Fellows, president of the Associated Fire & Marine and Associated Indemnity, has announced that through an agreement with the Pacific National Fire, effective July 31, the latter company reinsures all of the fire insurance business of the Associated Fire & Marine except its automobile fire business. The Associated Fire & Marine continues in business for the purpose of writing automobile fire lines in conjunction with the Associated Indemnity. Executives of the Associated Fire & Marine who have been in charge of the operation of the fire business of the American Associated Agency become a part of the Pacific National Fire organization. This includes the general agency of the American Equitable of New York and the Lumbermen's of Philadelphia. W. L. Wallace, who has been vice-president and general manager of the Associated Fire & Marine, will continue to operate the general agency for the Pacific National.

#### Surplus to Associated Indemnity

Under the new arrangement, the Associated Fire & Marine will have \$200,000 capital. Its surplus will be put into the surplus of the Associated Indemnity, which produces more than 90 percent of the business of the two Associated companies. It is expected that about \$500,000 will be added to the surplus of the Associated Indemnity in this way and its statement will then show a capital

(CONTINUED ON NEXT PAGE)

# AMERICAN AUTOMOBILE INSURANCE COMPANIES

## SAINT LOUIS

*Offer the facilities of Branch Office service for the convenience of AGENTS and BROKERS at the following strategic locations, each servicing surrounding territory:*

### BOSTON

Boston Insurance Exchange,  
W. D. DUTTON, *Manager*

### CHICAGO

A2123 Insurance Exchange, South,  
C. M. KINNEY, *Resident Vice-President*

### COLUMBUS

513 First Citizens Bldg.,  
R. I. TAYLOR, *Manager*

### DETROIT

1717 First National Bank Bldg.,  
R. Z. ALEXANDER, *Manager*

### INDIANAPOLIS

210 Continental Bank Bldg.,  
M. W. DOYLE, *Manager*

### LOS ANGELES

200-724 South Spring St.,  
D. R. SESSIONS, *Resident Vice-President*

### MILWAUKEE

212 W. Wisconsin Ave.,  
C. M. LATTA, *Manager*

### NEW ORLEANS

1227 Hibernia Bank Bldg.,  
J. J. GREVEMBERG, *Manager*

### NEW YORK

21st Floor, 90 John St.,  
R. S. CHOATE, *Resident Vice-President*

### PHILADELPHIA

329 Walnut St.,  
J. R. HUGHES, *Manager*

### SAN FRANCISCO

301 Adam Grant Bldg.,  
GEO. E. ADAMS, *Resident Vice-President*

### SEATTLE

518 Skinner Bldg.,  
J. R. LAWSON, *Manager*

**INSURANCE ON AUTOMOBILES EXCLUSIVELY**

*SINCE 1911*

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### CORRESPONDENCE COURSE PLAN

The Insurance Institute of America has issued the list of correspondence courses prepared for 1932-33. Beginning Nov. 7 and once each week thereafter lecture notes will be sent each student for 18 to 21 lectures according to the course selected. Final examinations will begin the week of April 3, 1933. A list of subjects dealt with in the two branches of casualty and also of fire insurance and of one branch in life insurance is set forth in the folder.

\* \* \*

### BARNES' NEW YORK OFFICE

Julius H. Barnes, who has become a prominent figure in insurance so far as financial affairs are concerned, spends most of his time at his New York office, 42 Broadway. He has become chairman of the board of the Missouri State Life and was one of the chief organizers of the new Lloyds Insurance Company. He and his backers have their eyes set on other companies.

\* \* \*

### JUNE 30 STATEMENTS

The semi-annual statements of fire and casualty companies in New York state this year are being divided into two parts. The statement blank to be used in supplying the data has no place for inserting the amortized value of bond holdings. After the dead line for filing the semi-annual statements, which is Aug. 15, the New York department will demand a schedule of the security holdings of the company and then the

companies will need the formula for amortizing their bonds.

The statement blanks this year do not have a space under the caption "non-ledger assets" for entry of the market value of securities over the book value, nor under the caption "non-admitted assets" is there provision for deducting the book value of securities from the market value.

There are no lines for giving the capital and surplus. The department will secure a schedule of the company's portfolio and will complete the statement by making its own deductions of the excess of book value over the convention value. The department can tell by its own examination what securities are to be amortized and thus arrive at the actual surplus to policyholders.

The practical method of arriving at the amortized value is to take the purchase price and add each year the value which the difference between purchase price and par bears to the number of years from the time the bond was purchased until it matures. For instance, if a bond was bought at \$95 and matures in five years, there would be added \$1 a year to its value. Similarly, if the bond was purchased at \$105 and matures in five years, \$1 would be deducted from its value each year.

Interest may also be figured in the present value. To do this, the difference is taken between the nominal and actual interest and this is added to the amortized value if the bond was bought at a premium and deducted if bought at a discount.

### Pacific National Reinsures Associated F. & M. Business

(CONTINUED FROM PAGE 6)

of \$500,000 and a surplus of more than \$1,000,000. The Associated Insurance Fund, the holding corporation, will also retain substantial added assets for further strengthening of its insurance companies, should that ever become necessary.

The transaction involves no change whatever in the control or management of any of the companies involved. The Associated Indemnity and Associated Fire & Marine (continuing to write automobile business) remain under the sole ownership of the Associated Insurance Fund, and there is no exchange or sale of stock involved. The Pacific National continues as a subsidiary of Transamerica and gains through this deal an immediate and substantial addition to its fire premium income, also an extensive agency plant and an aggressive organization to augment its present staff.

### Features Free Analyses

OKLAHOMA CITY, July 27.—Because of policy budgeting and necessity for reducing expense and getting insurance cost down to the minimum, Eugene Whittington & Company, one of the largest agencies here, is placing stress on offering free audit and analyses of insurance carried by their clients. Demand for this service, which is given without cost to the assured, has materially increased within the last six months, President Eugene Whittington stated. This is particularly so with the larger assureds. "The charge made for this service by specialists, averages between \$100 and \$250," he said.

### WANTED

Daily Report Examiner and Underwriter For Fire and Allied Lines. Must have thorough knowledge of Middle-west territory; list previous employers, describe experience in detail, state age and salary expected. Address W-59, The National Underwriter.

### Concrete Elevators Should Carry Enough Insurance

The Grain Dealers National Mutual calls attention to the fact that it is a fallacy for owners of concrete elevators to think that they will not burn. It cites three recent examples where such structures burned, two in Indiana and one in Illinois. The Illinois elevator was at Orleans, with a \$7,000 loss, and the others at Stone Station and Judyville, Ind. An inspector in reporting on one of these houses said, "Because this is a concrete elevator it is constantly thoroughly safe from fire." Yet these fire resistive buildings do burn. As the Grain Dealers National said, "Usually there is some wood construction in or close to all concrete elevators, and if nothing more than the wood is burned, the communicated heat often has a serious effect on the concrete."

### Advocates Financing by Carriers

LANSING, MICH., July 27.—B. L. Hewett, western manager of the Boston and Old Colony, makes the suggestion that the fire companies should get together and organize a premium finance company of their own.

Mr. Hewett is of the opinion that premium financing is a coming thing, following the same history as that of automobile financing. It is the height of short-sightedness on the part of the companies, he believes, not to develop this lucrative offshoot of insurance profit.

In difficult times such as the present financing of premiums is undoubtedly gaining a stronger foothold than during prosperous periods, providing another strong incentive for the insurers to get into the business through formation of their own company in order that some of the depression losses may be balanced by profits in this field.

Carl R. Brown of Cleveland has incorporated his agency as the Carl R. Brown Insurance Agency and has taken in with him DeWitt C. Penn and Miss Jean E. Saeltzler.

## COLGATE TRIMS RATE RATHER THAN CUT ADS

Stock Placed on Annual Basis of \$1; Firm Seeks to Keep Name Before Buying Public

Directors of the Colgate-Palmolive-Peet Company decided yesterday to reduce common dividend payments rather than curtail national advertising expenditures.

They declared a quarterly dividend of 25 cents a share, compared with former payments of 62½ cents, thereby reducing the annual rate from \$2.50 to \$1.

Charles S. Dewey, vice president in charge of finance, explained the dividend reduction will enable the company to conserve its resources and maintain itself "in a liquid position while present conditions continue."

### TO PUSH ADVERTISING.

He said:

"The company contemplates continuing its advertising campaigns on a basis that will keep the position of the company in the industry and the reputation of its advertised brands in the minds of the consuming public."

"As no one can foretell for how long a period present conditions may last, the company intends to conserve its resources and maintain itself in a liquid position, believing that the carrying out of its program—even to the extent of reduced profits and dividends on the common stock—is the greatest ultimate service it can render to its stockholders."

### BRANDS BEFORE PUBLIC.

"The management believes that active business and prosperity will in due course return to the country and that as heretofore the public will seek the quality and reputation of those brands which have stood the test of time and which they have been familiar with."

(Number 22 of a series devoted to the merits of National Underwriter advertising)

«»

## The National Underwriter

The leading weekly insurance newspaper

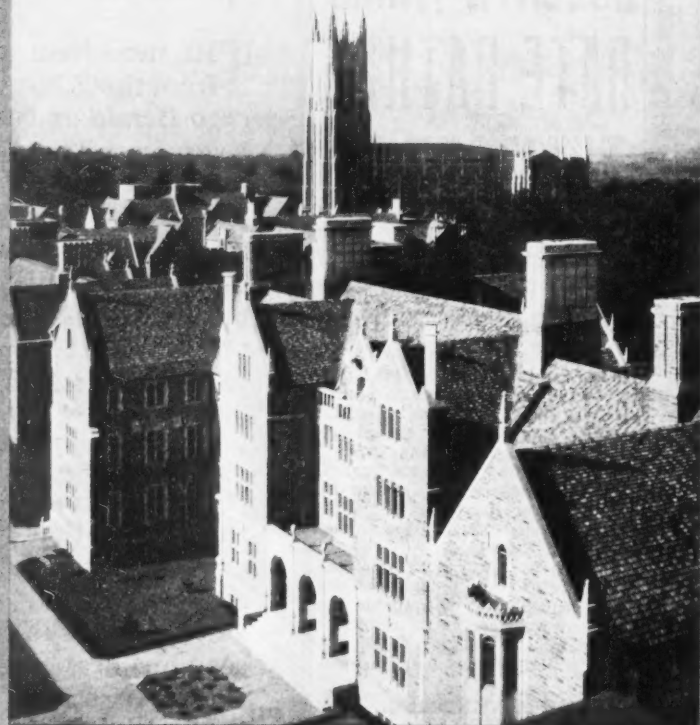
E. J. WOHLGEMUTH  
President



C. M. CARTWRIGHT  
Managing Editor



## 'Way Down South and The Dixie



Duke University

## DURHAM North Carolina

THE City of Durham, N. C., was settled in 1855 and incorporated in 1869. It is the County Seat of Durham County and has a population of 55,000. In the Bennett house, near here, General Johnston with the Confederate Army surrendered in 1865, bringing to an end the actual fighting.

The manufacture of smoking tobacco is the staple industry, and dates back to the close of the War between the States. Here is manufactured 24 percent of all the cigarettes made in the United States. Cotton mills also constitute an important activity, and help to keep the yearly value of manufactures close to \$150,000,000.

Durham has remarkable educational facilities; they include the North Carolina College for Negroes; the Durham College of Commerce; a school of fine arts; the Southern Conservatory of Music and—Duke University.

Duke University is perhaps the most magnificent educational plant in the world. Fostered by an endowment left by the late James Buchanan Duke, and built around old Trinity College which dates back to 1838, it now occupies 5,000 acres of land, and has an annual income of \$12,500,000.

**The DIXIE**  
FIRE INSURANCE COMPANY  
Greensboro, N. C.  
Organized 1906  
ONE OF THE AMERICAN GROUP

## San Francisco's Half Year Premiums Off 10 Percent

### FIREMEN'S OF NEWARK LEADS

Fourteen of 36 Leaders Show Gains for That Period—Total is \$2,193,304

SAN FRANCISCO, July 27.—Fire premiums of \$2,193,304 were written in San Francisco the first six months of 1932 by 248 companies, according to the semi-annual report of the Underwriters Fire Patrol. This is a drop of slightly more than 10 percent compared with premiums of \$2,450,677 reported by 285 companies for the first six months of 1931. While a preliminary survey indicated a drop of approximately 5 percent in excess of this figure, a number of companies made considerable gains, although many leaders show quite a decrease in income for the period.

Of the 36 companies writing premiums in excess of \$20,000, 14 show gains ranging from several hundred dollars to approximately \$22,000. The greatest gain in this classification is shown by the Firemen's, Newark, with \$96,735 for 1932 against \$75,543 for 1931; second greatest gain, Globe & Rutgers, \$47,254 for 1932 against \$32,492 for 1931. The 25 leading companies, with figures for six months of 1932 and 1931, are:

	1932	1931
Firemen's, Newark....	\$ 96,735	\$ 75,543
Home, N. Y.....	82,150	92,984
Liverpool & Lon. & Gl.	80,688	84,264
Continental.....	79,805	72,708
Fireman's Fund.....	76,170	81,291
Aetna.....	69,738	76,478
North America.....	59,669	53,291
Hartford.....	58,626	49,729
Globe & Rutgers.....	47,254	32,492
Fire Association.....	45,908	44,378
Royal.....	42,396	48,531
National Union.....	41,318	28,920
Niagara.....	39,840	35,735
United States Fire....	51,319	52,032
California.....	39,600	46,381
Millers National.....	35,868	30,821
Merchants Fire, N. Y..	35,498	43,733
London Assurance.....	29,184	33,107
Queen.....	29,250	33,141
Oglethorpe Under.....	28,865	39,474
London & Lancashire..	28,789	26,396
Norwich Union.....	28,498	34,854
Security, New Haven..	28,321	39,350
Atlas.....	27,197	29,129
Pacific National.....	25,269	43,598

### Rossia International Meeting

The Rossia International Corporation of Hartford will meet Friday of this week to authorize a reduction of stock and to authorize the sale of such portion of the stock of the Fire Reassurance of Paris as may be determined. The Iduna Holding Company at its annual meeting found 17,836 shares represented of which the Rossia International voted 15,236. After considerable discussion of the transactions of the Iduna Holding Company and of the Iduna insurance companies, it was voted to reorganize the Iduna Holding Company. There will be a withdrawal of considerable of its own stock and reducing the remainder.

### Transfer of General Agents

Following the reinsurance of the fire business of the Associated F. & M. of San Francisco, the Pacific National Fire of that city has appointed Corroon & Reynolds of New York City as its general agents, taking the place of the Associated. Corroon & Reynolds have transferred the Pacific Coast general agency of the American Equitable from the American Associated Agency at San Francisco to the Pacific National Fire.

### NO APPROACH WAS MADE

THE NATIONAL UNDERWRITER erred in mentioning in the July 14 issue, that the prominent Chicago agency of Rollins-Burdick-Hunter Co. was among the brokerage firms backing the new United States management of the Pearl Assurance of London, the office in question stating that no approaches had been made in such connection.

## Commissioner of Tennessee Attacks Illinois Official

Commissioner Reece of Tennessee revoked the license of the National Life U. S. A. of Chicago last week on the ground of "insufficiency of assets." The company denies the charge and claims that it could get no information from the commissioner specifically as to what assets he objects to. Officials visited him at Nashville and claim that he spoke entirely in generalities. One of the interesting features of the controversy is the declaration of Commissioner Reece that Insurance Superintendent Hanson of Illinois threatened and intimidated him in connection with the revocation of the National's license. Superintendent Hanson declares that the National Life requested a convention examination to start early in August. The Tennessee commissioner sent "two high priced examiners," in the words of Superintendent Hanson, to Chicago and in view of the fact that the convention examination was soon to take place, the Illinois superintendent protested against the additional expense.

## New York Gives Pearl Decision

(CONTINUED FROM PAGE 5)

organizations and regional or local company conferences functioning in the insurance business throughout the country. Coupled therewith is a pledge to observe the insurance laws of all states where business is transacted and not to engage in overhead writing of business in states in which the company is not licensed.

"This department will insist on adherence to such pledges. An insurance corporation will be permitted to hold a certificate of authority to do business in this state only so long as the possession of such certificate is consonant with the best interests of the people of this state. Company practices generally which affect or may affect financial stability are always considered in passing upon the desirability of licensing a company in this state. The policy of New York is to insist upon adequate rates so as to insure companies' solvency, at the same time it demands reasonable rates for the protection of policyholders. Nothing could be more unjust to New York policyholders than to compel them to pay a high rate in order to recoup the losses resulting from inadequate or cut rates charged elsewhere. This view is likewise applicable to other practices which affect financial structure and stability."

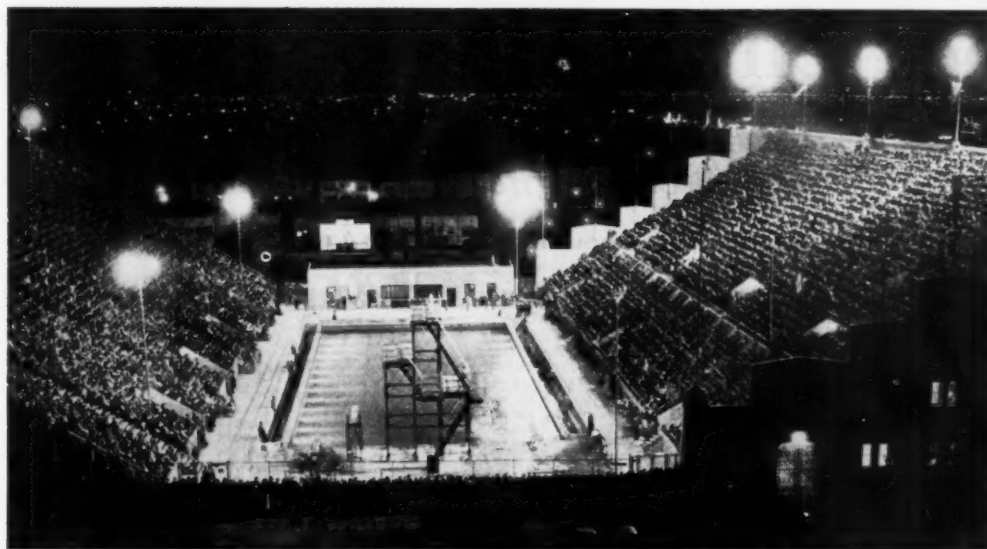
### GEORGE TILLEY SURPRISED

NEW YORK, July 27.—The United States manager of a prominent British company, now visiting his home office in London, in the course of a telephone talk with his New York office was informed of the refusal of the New York department to license Stevens & Hopps as United States general agents of the Pearl. This manager told his assistant that during a recent call on George Tilley, chairman of the Pearl at the head office, he was informed that the Pearl management had been considerably surprised because of the exacting requirements of the New York department relative to binding statements regarding the Pearl's proposed underwriting policy in this country. It was further intimated that, in event of a refusal to license Stevens & Hopps, the Pearl management would appoint George Stevens as general agent subject, of course, to the approval of the New York department.

Charles H. Hatton, Wichita local agent, was elected president of the Lions International at its annual convention in Los Angeles last week. Mr. Hatton was elected an international director in 1927 and served as first vice-president last year.



Less than  
48 hours  
after you  
read this



[Photo showing official dedication of the beautiful "Olympic Pool" in the radiance of flashing illuminations and glaring floodlights. The pool itself is 164x65 feet and the grandstands will seat 10,000. It is here that all swimming and diving events of the 1932 Olympics will be held.]

## THE TENTH OLYMPIAD will be under way

THE Parade of Nations, that historic and impressive ceremony, opens the games of the Xth Olympiad in Los Angeles on July 30. Participated in by the athletes of all Nations and led by their respective national flags, one athlete steps forward from the drawn up ranks and takes the Olympic oath for all teams of the participating nations. As the oath is administered, the Olympic flag is raised, the Olympic torch blazes forth from atop the massive peristyle of the Stadium, and the Games are officially opened. Following Olympic tradition that the ruling head of the host nation declare the games open,

President Hoover will officiate at this imposing opening.

Then nearly 4,000 athletes from 40 nations begin 16 days and nights of continuous amateur sports competition in more than 137 distinct events, being held in nine different stadiums, pavilions, or water courses. Eight days are required for track and field events, twelve days for fencing, five days for boxing, seven days for wrestling, eight days for swimming and several days each for field hockey, yachting, rowing, cycling, gymnastics, equestrian sports, and shooting.

The strong 68 year old Eureka-Security Fire and Marine Insurance Company which gives agents and policyholders such unusual service, pays tribute to the Olympic Games, the greatest international amateur sports event in the world. The Games will help to lift the shade of gloom. America is pleased to be host to the athletes of the nations—and pleased, too, with her stock insurance companies (of which the Eureka-Security is one of the oldest and strongest) which are so stalwart a bulwark against depression.



LARGE ENOUGH  
To write lines liberally

SMALL ENOUGH  
To give individual attention

YOUNG ENOUGH  
To grow by giving service

OLD ENOUGH  
To have profited by experience

The Eureka-Security Fire and Marine  
Insurance Company  
Established 1864

CINCINNATI, OHIO



# Experience in Western Territory

## Fire Premiums and Losses in 18 States Under Jurisdiction of Western Underwriters Association and Western Bureau

(Compiled for the United States Review. From the 1932 Edition of the Argus Comparative Charts).

	1930		1931			1930		1931	
	Net Premiums Written	Net Loss Incurred	Net Premiums Written	Net Loss Incurred		Net Premiums Written	Net Loss Incurred	Net Premiums Written	Net Loss Incurred
Aetna, Hartford, Conn.	6,173,101	4,429,599	4,822,282	3,501,568	New Hampshire Fire	1,084,605	763,764	1,063,858	611,279
Agricultural, Watertown, N. Y.	1,133,715	720,675	1,101,076	674,809	New York Underwriters	2,321,893	1,438,330	2,080,149	1,172,838
Albany, Albany, N. Y.	114,674	70,800	106,220	67,763	Niagara Fire	1,790,670	1,128,986	1,412,402	798,645
Alleghenia, Pittsburgh	474,491	403,716	505,516	379,366	North British & Mercantile	2,066,794	1,263,567	2,054,201	966,706
Alliance, Pa.	869,353	615,427	740,625	397,850	North Carolina Home	88,659	44,868	65,469	39,880
American Alliance, N. Y.	389,431	268,097	349,243	224,983	Northern Assurance	1,191,268	665,181	1,145,453	508,876
American Central, Mo.	841,690	639,964	807,909	507,402	North River	1,599,268	1,022,355	1,321,267	919,493
American Eagle, New York	1,162,391	776,502	1,009,174	669,844	Northwestern F. & M.	886,116	538,922	757,501	465,777
American Equitable, New York	871,880	605,483	800,133	682,916	Norwich Union	763,499	455,725	665,458	346,580
American F. & M., Texas	78,884	45,791	41,983	32,955	Old Colony	311,546	237,211	285,016	140,603
American & Foreign, New York	160,529	108,820	144,714	84,744	Orient	1,019,991	663,738	926,927	433,162
American National, Ohio	310,625	179,889	240,407	182,797	Palatine	379,814	236,679	305,400	221,939
American Newark, N. J.	4,145,255	2,947,391	3,493,450	2,387,341	Patriotic	239,128	157,116	197,122	79,381
Anchor, R. I.	20,800	6,264	7,958	15,522	Pennsylvania Fire	1,531,138	887,917	1,403,825	771,142
American Standard, Hartford, Conn.	106,550	30,905	142,993	46,006	Philadelphia F. & M.	1,196,116	761,545	1,016,990	624,332
Atlantic, Raleigh, N. C.	98,123	29,499	127,713	24,215	Phoenix, Hartford	2,973,268	1,828,219	3,389,156	1,607,996
Atlas Assurance	889,115	535,795	725,675	488,690	Phoenix Assurance	844,000	541,615	814,758	394,265
Automobile, Hartford	1,378,740	837,850	1,401,028	676,963	Preferred Risk	217,520	147,828	65,618	142,401
Baltimore American, New York	265,520	270,496	439,639	174,436	Providence Washington	940,463	507,052	774,484	385,088
Birmingham, Pittsburgh	4,027	2,083	5,453	3,858	Provident Fire	32,358	25,132	29,830	25,470
Boston, Boston, Mass.	1,027,025	911,518	963,572	573,407	Prudential, Okla.	28,763	4	21,424	364
British America, Toronto	214,182	204,608	300,560	169,213	Queen of America	1,525,910	1,051,693	1,385,327	801,241
British General	21,072	9,617	54,199	21,526	Reliance, Pa.	146,979	84,763	141,901	43,515
Caledonian	538,725	302,750	427,892	274,880	Rhode Island	851,942	658,903	712,047	301,735
Caledonian-American	81,737	41,681	73,746	32,148	Richmond, New York	220,797	101,322	176,328	111,211
California	290,285	168,646	264,237	184,514	Rochester American	100,594	69,158	90,146	56,509
Camden	905,206	608,390	816,729	527,892	Royal	2,419,387	1,659,411	2,250,714	1,280,542
Carolina	291,430	208,201	208,201	187,017	Royal Exchange	566,259	367,981	619,592	386,730
Central Fire, Md.	107,120	44,292	91,808	70,314	Safeguard	206,041	123,257	151,410	90,906
Central Union	22,795	5,677	24,280	7,063	St. Paul F. & M.	2,932,620	1,820,623	2,612,497	1,613,076
Citizens, N. J.	880,265	228,505	542,929	249,387	Scottish Union & National	1,174,578	849,779	936,870	698,820
City of New York	660,571	540,913	535,403	304,249	Seaboard F. & M.	287,823	78,397	222,377	128,555
Columbia, N. J.	167,461	102,458	165,963	81,294	Security, New Haven	1,676,131	1,135,646	1,333,787	919,680
Columbia, Dayton, O.	210,984	114,192	203,427	93,420	Sentinel	163,982	60,942	258,543	137,506
Commerce, Glens, Falls	357,867	207,148	215,556	140,692	Skandia	511,982	137,827	399,100	185,171
Commercial Union, England	1,690,124	947,889	1,414,944	906,266	Southern, N. Y.	30,412	30,415	4,770	433
Commercial Union, New York	343,431	203,684	330,334	187,868	Southern Home	3,902,464	2,850,452	3,865,776	2,405,732
Commonwealth, N. Y.	706,958	388,756	636,770	303,279	Springfield F. & M.	402,212	202,378	460,571	218,592
Connecticut Fire	1,969,555	1,103,498	1,688,885	1,031,254	Standard, Hartford	448,927	372,599	388,561	206,743
Continental, New York	5,240,281	3,622,189	4,689,469	3,325,144	State Assurance	251,975	207,397	236,425	189,964
County, Pa.	126,725	62,891	102,877	51,136	Sun Insurance Office	942,336	657,629	964,488	435,962
Detroit F. & M.	383,993	254,069	731,946	155,638	Sun Underwriters	200,647	49,118	103,387	56,510
Detroit National	100,795	58,718	85,795	44,047	Sussex Fire	149,820	120,790	424,867	221,811
Dixie Fire	61,550	32,332	144,599	70,383	Svea F. & L.	548,294	308,012	452,391	257,587
East Fire, New York	137,704	71,008	113,345	58,913	Transcontinental	266,916	205,532	250,656	152,537
East Star & British Dominions	398,736	296,325	428,396	239,116	Travelers Fire	3,125,786	1,527,236	3,625,323	1,531,440
East & West	230,701	171,849	197,829	102,664	Trinity Fire	153,845	128,470	135,797	107,325
Empire State	46,718	45,140	101,161	54,262	Twin City	400,750	368,804	442,883	269,410
Employers Fire	381,095	185,420	403,411	209,322	Union Assurance	207,734	162,716	168,800	117,137
Equitable F. & M., Providence, R. I.	423,844	242,779	369,920	201,161	United Firemen	231,586	146,421	226,317	107,710
Excelsior, New York	27,865	16,710	14,381	7,128	United States Fire	2,764,000	1,865,473	2,443,404	1,602,521
Farmers, York, Pa.	201,081	139,484	221,788	120,535	U. S. Merchants & Shippers	370,177	205,594	258,100	183,584
Federal Union, New York	152,517	89,688	128,809	66,392	Victory	267,506	143,206	87,656	56,529
Fidelity-Phoenix	4,745,746	3,324,542	3,995,771	2,709,776	Virginia F. & M.	264,054	192,201	210,068	147,650
Fidelity & Guaranty, Md.	460,821	171,122	444,605	208,964	Westchester Fire	2,055,124	1,328,478	1,689,882	1,016,322
Fire Association	2,216,576	1,437,686	1,922,316	1,298,076	Western Assurance	439,533	311,169	326,062	278,575
Fireman's Fund	2,683,049	1,796,501	2,204,797	1,502,146	Western & Southern	60,667	83,419	110,675	78,490
First American	579,425	303,562	434,109	193,132	Wheeling Fire	122,377	219,972	253,713	148,597
Franklin Fire	1,426,427	994,421	1,219,190	1,053,462	World F. & M.	356,706	219,972	441,945	273,147
Franklin National	184,625	149,863	199,242	84,403	Yorkshire	452,712	264,768	441,945	273,147
Fulton Fire	48,443	9,092	83,723	32,633					
Georgia Home	79,495	17,763	107,741	47,883					
Glens Falls	1,004,975	847,283	1,401,984	752,780					
Globe Fire, Okla.	26,184	1,713	9,396	1,061					
Globe & Republic, Philadelphia	306,902	212,874	298,317	164,029					
Granite State, Portsmouth, N. H.	4,187,001	2,737,222	3,089,904	2,302,804					
Great American	256,240	177,870	228,512	160,573					
Guaranty Fire, R. I.	121,603	43,436	50,626	52,447					
Hallifax, N. S.	1,391,002	874,795	1,243,982	662,373					
Hanover Fire	261,415	200,420	243,865	139,883					
Harmonia	7,520,893	4,620,802	7,512,823	4,079,502					
Hartford Fire	9,041,336	6,254,376	8,721,894	5,392,374					
Home, New York	490,875	312,601	479,041	296,355					
Home F. & M.	126,553	60,803	127,904	44,809					
Homeland	107,726	67,696	126,378	58,093					
Homeowners, Va.	550,354	335,272	439,439	279,027					
Homestead, Md.	211,152	134,339	211,226	94,919					
Hudson	3,914,967	2,480,631	3,782,521	1,924,560					
Imperial Assurance, New York	884,503	639,146	725,806	465,347					
Ins. Co. of North America	12,963	10,263	62,396	8,944					
Ins. Co., State of Pa.	210,091	3,185	27,618	183,973					
Kansas City F. & M.	341,662	177,600	296,740	136,117					
La Fayette Fire	42,549	4,635	49,747	5,811					
La Salle Fire	2,401,955	1,418,111	2,078,566	1,068,472					
Law Union & Rock	834,065	533,824	797,261	396,933					
Liberty, Ky.	1,021,555	497,689	1,020,878	478,107					
Lincoln Fire	90,564	52,958	88,213	54,626					
Liverpool & London & Globe	140,141	106,439	134,465	54,420					
London Assurance	257	257	41,075	50					
London & Lancashire	174,609	106,053	155,290	76,544					
London & Provincial	196,332	163,987	195,247	73,881					
London & Scottish	88,776	60,511	78,806	49,438					
Louisville F. & M.	296,573	248,796	302,821	145,905					
Manhattan F. & M.	639,223	453,347	606,562	306,997					
Maryland Fire	398,006	284,306	299,775	231,921					
Massachusetts F. & M.	497,612	276,864	458,136	223,943					
Mechanics & Traders	782,980	415,896	743,365	386,945					
Mercantile, N. Y.	130,642	77,918	139,405	64,702					
Mercantile, R. I.	5,529,911	3,786,749	4,717,195	3,310,759					
Mercury, St. Paul, Minn.	2,057,694	1,357,321	1,887,869	910,012					
Michigan F. & M.	727,655	371,169	540,926	324,600					
National American	1,719,614	1,238,266	1,220,168	1,026,056					
National Fire, Hartford	92,145	128,083	121,523	53,822					
National Liberty	691,113	475,365	634,489	361,405					
National Security	374,960	236,658	393,300	281,198					
National Union, Pa.	163,982	61,418	129,383	57,194					
Netherlands									
Newark Fire									
New Brunswick									
New England Fire									

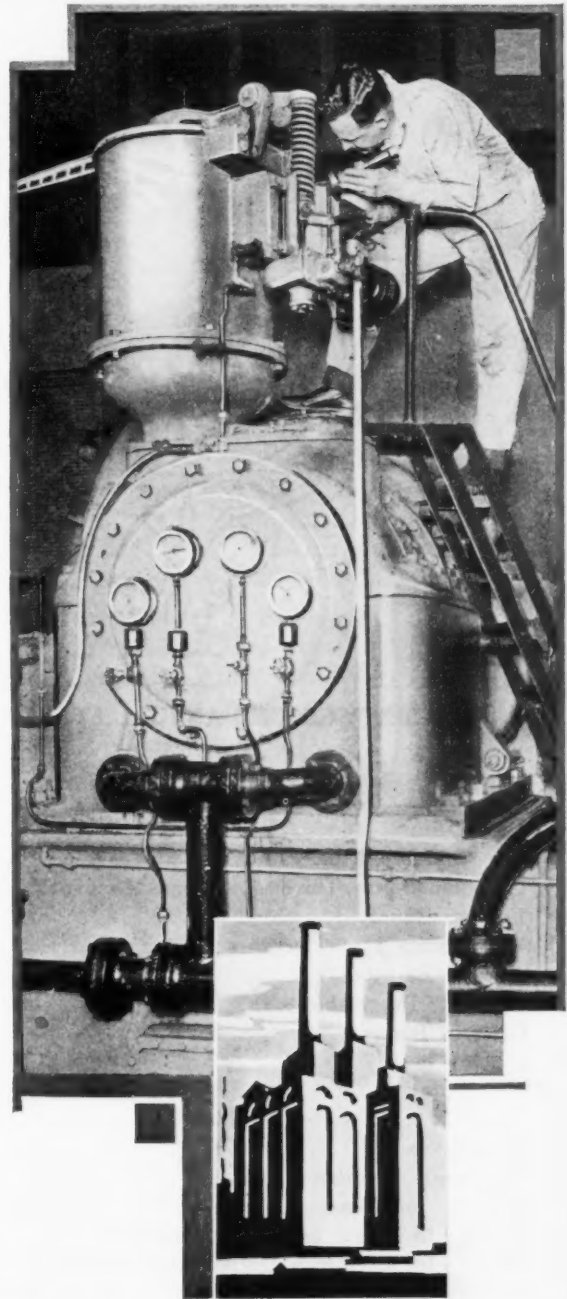
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*Accurate analysis . . by specially trained  
"Ocean" and "Columbia" engineers  
eliminates guesswork  
in determining the amount of  
power plant protection required*

**M**ANY instances are on record where the maximum amount of protection provided for in power plant policies has represented only a small percentage of the loss actually sustained through a disastrous accident. In other cases purchasers are paying for much greater protection than can possibly be required.

"Ocean" and "Columbia" eliminate guesswork in determining insurance limits through accurate preliminary analysis by specially trained engineers—who are guided also by the lessons learned during many years' experience in power plant insurance. All recommendations are subject, of course, to the purchaser's ultimate decision, but every effort is made to provide adequate protection without one cent of unnecessary expense.



**THE OCEAN ACCIDENT & GUARANTEE CORPORATION Ltd.**  
*and*  
**COLUMBIA CASUALTY COMPANY**  
**One Park Avenue, New York**



Canadian Branch: The Ocean Acc. & Guar. Corp. Ltd., Federal Building, Toronto, Ontario  
Cuban Branch: Compania Cubana de Fianzas, Amargura 23, Havana, Cuba





# NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



## SIXTY-SECOND ANNUAL STATEMENT January 1, 1932

Assets	
United States Bonds.....	\$ 3,240,750.00
State and Municipal Bonds and Stocks.....	11,947,166.38
Canadian Bonds, Government and Municipal.....	280,980.00
Foreign Bonds.....	111,750.00
Real Estate.....	362,750.00
Agents' Balances.....	810,628.25
Accounts Receivable.....	224,469.79
Cash in Banks.....	471,765.15

\$17,450,259.57

Liabilities	
Capital Stock.....	\$ 3,000,000.00
Unearned Premium Reserve.....	4,974,184.57
Reserve for Losses.....	614,062.85
Reserve for Taxes and Other Liabilities.....	338,374.86
Reserve for Dividends Declared and Unpaid.....	150,487.94
Reserve for Market Fluctuations.....	\$2,325,343.00
Surplus, Dec. 31, 1931, Values.....	6,047,806.35

Surplus, Convention Values..... 8,373,149.35

\$17,450,259.57

NOTE: Bonds and Stocks at Insurance Commissioners Convention valuation.

### AFFILIATED COMPANY

**Granite State Fire Insurance Company**  
Portsmouth, N. H.

(CONTD FROM PRECEDING PAGE)

	1930	1931	1932	1933
	Net Premiums Written	Net Losses Incurred	Net Premiums Written	Net Losses Incurred
Lumbermen's, Pa. ....	364,479	187,167	440,538	173,335
Merchants, Indiana .....	179,973	76,479	163,137	67,609
Merchants, N. Y. ....	843,000	424,225	880,228	346,533
Merchants, Col. ....	264,085	135,614	200,595	95,669
Merchants & Manufacturers .....	318,431	137,441	200,718	193,359
New Jersey .....	275,865	137,315	224,061	102,515
New York Fire .....	271,703	162,283	201,047	251,917
Northern, N. Y. ....	1,189,216	797,138	1,173,261	610,612
Pacific Fire, New York .....	345,233	181,498	358,645	171,771
Philadelphia National .....	96,967	30,966	67,873	38,138
Pioneer, Ill. ....	54,607	26,302	24,518	10,332
Pioneer Equitable, Ind. ....	82,921	20,697	67,110	25,917
Potomac, Washington, D. C. ....	500,055	321,066	315,508	167,462
Public Fire, Newark, N. J. ....	571,141	360,439	629,474	314,120
Republic, Texas .....	36,901	11,397	40,900	11,403
Rocky Mountain Butte, Mont. ....	3,199	1,772	3,681	123
Standard, N. Y. ....	140,552	62,907	194,148	125,587
Stuyvesant .....	707,068	505,421	555,037	416,883
Tokio M. & F. ....	228,118	159,977	286,360	162,445
Universal .....	429,681	267,902	240,341	203,422
Utah Home, Salt Lake City .....	39,689	33,115	33,974	23,419
Washington, N. Y. ....	49,109	28,742	5,483	12,903
Total .....	\$13,841,764	\$7,976,328	\$11,662,757	\$6,819,436

\*1930 includes companies not listed in 1931.

### COMPARISON OF FIVE YEARS' TOTALS

A comparison of the figures shown in the table and those of the three preceding years, gives the following interesting ratios:

#### AGGREGATE BUSINESS—ALL COMPANIES

	Co's	Premiums	Losses	Ratio %
1927 .....	223	\$212,350,907	\$104,181,281	49.06
1928 .....	243	218,122,933	104,256,550	47.81
1929 .....	256	217,112,381	105,704,414	48.70
1930 .....	246	189,045,303	118,395,797	62.63
1931 .....	234	166,605,772	90,148,874	59.49
Total Five Years .....		\$1,003,198,296	\$531,776,916	53.11

#### WESTERN UNDERWRITERS ASSOCIATION COMPANIES

	Co's	Premiums	Losses	Ratio %
1927 .....	129	\$153,099,375	\$ 75,728,727	49.46
1928 .....	136	155,280,325	75,597,185	48.68
1929 .....	143	155,797,539	74,890,404	48.06
1930 .....	178	190,711,205	102,457,970	63.69
1931 .....	175	141,618,126	85,221,085	60.22
Total Five Years .....		\$766,506,568	\$413,885,381	54.00

#### NON-WESTERN UNDERWRITERS ASSOCIATION COMPANIES

	Co's	Premiums	Losses	Ratio %
1927 .....	94	\$59,251,532	\$ 28,452,554	48.02
1928 .....	107	62,842,610	28,650,355	45.63
1929 .....	113	61,314,842	30,914,010	50.42
1930 .....	68	28,295,098	15,937,827	56.32
1931 .....	59	24,987,646	13,927,789	55.72
Total Five Years .....		\$236,691,728	\$117,591,535	49.80

#### WESTERN INSURANCE BUREAU COMPANIES

	Co's	Premiums	Losses	Ratio %
1927 .....	53	\$47,135,495	\$ 22,597,512	47.94
1928 .....	54	46,650,496	22,550,972	48.33
1929 .....	50	41,384,176	21,711,703	52.46
1930 .....	16	14,453,334	7,961,499	55.06
1931 .....	16	13,324,880	7,108,753	53.44
Total Five Years .....		\$162,948,390	\$ 81,930,439	50.32

#### ALL AFFILIATED COMPANIES' COMBINED TOTALS

	Co's	Premiums	Losses	Ratio %
1927 .....	182	\$200,234,870	\$98,326,239	49.16
1928 .....	190	201,930,819	98,148,167	48.67
1929 .....	196	197,181,715	96,502,107	49.98
1930 .....	194	175,164,539	110,419,469	63.09
1931 .....	191	154,943,015	92,329,838	59.62
Total Five Years .....		\$929,454,968	\$496,815,820	53.34

#### NON-AFFILIATED COMPANIES

	Co's	Premiums	Losses	Ratio %
1927 .....	41	\$12,116,037	\$ 5,855,042	48.32
1928 .....	53	16,192,114	6,108,383	37.70
1929 .....	63	19,930,666	9,202,307	46.12
1930 .....	52	13,841,764	7,976,328	57.62
1931 .....	43	11,662,757	6,819,036	61.11
Total Five Years .....		\$73,743,338	\$ 35,961,096	48.78

### Riot, Civil Commotion and U. & O. Sales Hints Given

A number of wide-awake agents especially in the middle west have been and are now selling a surprisingly large volume of riot and civil commotion insurance. This subject which might well have the active interest of many more agents will be given quite a full discussion in the next issue of the "Fire, Casualty and Surety Bulletins," published by THE NATIONAL UNDERWRITER which will be mailed Aug. 5. One reason why riot and civil commotion (which includes explosion cover) has not received more attention is that to sell it takes more extensive equipment than the explosion manual, a specimen policy and a brief company circular. This need the "F. C. & S. Bulletins" supply.

Apparently many agents do not have

an accurate fundamental understanding of use and occupancy. And naturally such understanding is even less common among insurance buyers than among agents.

Last week THE NATIONAL UNDERWRITER mentioned the fact that an Ohio state agent was pointing out that U. & O. is needed today more than ever. Agents have been reminded that even in entire absence of net profits there is U. & O. value if any of the fixed expenses are being earned. The next issue of the "Fire, Casualty and Surety Bulletins" goes into detail in explanation of why these things are true. In the hands of subscribers, this bulletin will enable them to show business establishments why the need of use and occupancy even when business is not any too good, and why some of them need it imperatively.

A Michigan license is being applied for by the General Schuyler Fire of Albany, N. Y.

# International Re-Insurance Corporation

## BALANCE SHEET—JUNE 30, 1932

### ASSETS

Cash in Banks and Office .....	\$ 568,800.78
Premiums in Course of Collection .....	3,575,527.53
Accrued Interest Receivable .....	86,253.50
Salvage Recoverable and Other Accounts Receivable .....	359,485.90
Securities:	
U. S. Government Bonds .....	\$ 994,556.95
State and Municipal Bonds .....	405,630.19
Railroad Bonds .....	1,525,575.08
Public Utility Bonds .....	1,101,309.78
Corporate Bonds and Stocks .....	3,781,455.74
	<hr/>
	7,808,527.74
Less Depreciation .....	676,949.03
	<hr/>
Total Securities .....	7,131,578.71
Loans:	
Secured by Collateral .....	1,290,754.64
Secured by Mortgage on Real Estate .....	894,000.00
	<hr/>
Total Loans .....	2,184,754.64
Real Estate:	
(Equity in Home Office Building) .....	1,332,011.75
	<hr/>
	<u>\$15,238,412.81</u>

### LIABILITIES

Accrued Commissions, Taxes and Other Liabilities .....	\$ 3,070,992.86
Dividends Payable .....	75,000.00
Reserves:	
Unearned Premiums .....	\$2,566,158.98
Reserve for Losses .....	5,436,591.82
	<hr/>
Total Reserves .....	8,002,750.80
Capital Stock and Surplus:	
Capital Stock .....	1,500,000.00
Surplus .....	2,589,669.15
	<hr/>
Total Capital Stock and Surplus .....	4,089,669.15
	<hr/>
	<u>\$15,238,412.81</u>

# International Re-Insurance Corporation

CARL M. HANSEN, President

Home Offices

84 William Street,  
New York, N. Y.

Pacific Finance Building,  
Los Angeles, California.

76 King William Street,  
London, England

## AS SEEN FROM CHICAGO

### OUTING FOR ADJUSTERS

The Automobile Adjusters Association of Chicago will hold its first annual outing at the Southmoor Country Club, Aug. 10, as a part of Southmoor's annual "Frolic Day," at which State Senator T. J. Courtney will be guest of honor. Tickets may be obtained from Arthur L. Ladd, A-2027 Insurance Exchange, Chicago.

### THREE NEW W. U. A. MEMBERS

The Western Underwriters Association has admitted to membership three new members: E. C. Jameson, representing the Hamilton Fire of New York and National F. & M. of Elizabeth, N. J.; J. S. Frelinghuysen, representing the American Home Fire and Stuyvesant; W. A. McConnell, representing the Century of Scotland.

### BUSINESS OFF 40 PERCENT

Chicago local agencies report business about 40 percent off compared with 1929. All offices have had to do much trimming in the way of overhead expense and are gradually getting readjusted to new conditions. Collections unfortunately occupy a large part of the time even of the heads of agencies. The collection situation in Chicago has been greatly aggravated by the failure of so many banks.

### FILES PETITION FOR REHEARING

Attorney General Carlstrom of Illinois has filed a petition for rehearing in People ex rel Lowe et al. vs. Marquette National Fire, in which it was held that the attorney general must represent the liquidator or receiver of an insurance company and that private counsel could not be employed. Mr. Carlstrom takes the position that the interest of the state in protecting its citizens ceases after a court has ordered liquidation and that thereafter the entire liquidation is under the supervision and direction of the court for the protection of the financial interests of creditors and claimants. Counsel fees in connection with liquidation proceedings should be paid out of the assets of a company in liquidation, he said, and not by the taxpayers of the state. He said that if the attorney general is to be required to represent the liquidators in all cases arising under the insurance act, his time and that of his assistants will be largely devoted to certain litigation in which the state has no financial interest whatever. He

pointed out that the liquidation act of 1925 does not provide that the attorney general shall perform any legal services of the kind performed by private counsel in a case of this character.

### BROKERS' QUARTERLY MEETING

A number of important topics are scheduled for discussion at the quarterly meeting of the Insurance Brokers Association of Illinois in the Chicago Board auditorium Friday of this week. The most important question will be discussion of what action to take on reduced commissions on casualty business. Other topics will be: Developments in city license situation to date; eligibility of banks being licensed by the state; recent meeting of National Convention of Insurance Commissioners, and activities of the association.

### CONDITIONS SETTLED DOWN

Companies as a rule find that agents and assureds have now pretty well gotten insurance readjusted to meet present day values. Many term policies are written on the annual basis. Lines have been cut down. There are now less return premiums due to cancellation. In fact, insurance is being gradually readjusted to new lower levels.

Companies in the central west find that conditions are improved due to the fact that a number of large accounts, which heretofore have been written in violation of rate or rule, have swung into line. Undoubtedly the activity of the new Insurance Executives Association has had its effect to some extent and moreover companies are underwriting more closely and demanding the full price for their indemnity. Furthermore some of the non-affiliated companies which were offering extra inducements have greatly weakened and some of them are out of the field entirely. This has therefore caused business to return to regular channels as they are no longer able to keep up their previous gait.

H. A. Miller of Chicago, associate western manager of the North America, was in Denver last week for a conference with A. B. Hart, state agent.

Assistant United States Manager George Z. Day of the Tokio was visiting in Chicago this week.

Harold M. O'Brien, vice-president of the Chicago Fire & Marine department of the Lincoln Fire, is vacationing in Atlantic City.

### Plan Company Conference on Maryland Capital Stock Tax

BALTIMORE, July 27.—F. A. Gantert, president Fidelity & Guaranty Fire, has sent a letter to the chief executives of fire and casualty companies of Maryland suggesting a conference on the Maryland capital stock tax, with a view to featuring the economic importance to Maryland of these companies and seeking a reduction in tax, if possible. The reply has been so favorable, says Mr. Gantert, that he will issue a call for the meeting he suggested in the letter.

Mr. Gantert also raised the question as to why these companies should be so heavily taxed. Maryland, Pennsylvania and Connecticut, he said, are the three states of prominence that impose such a burden, and the tax in the other two states is less than that in Maryland.

Following the conference on this question, Mr. Gantert will issue a questionnaire to the companies concerned asking for information as to the number of employees, salaries paid, etc., to show their economic importance to the state. Mr. Gantert says these companies paid \$1,000,000 tax last year on capital structure, which is a heavy charge and a heavy burden for them to bear.

### Wisconsin, Indiana Offer Chance to Save on Checks

MADISON, WIS., July 27.—Commissioner Mortensen has notified all companies operating in Wisconsin that a paid-in-advance plan for agents' licenses will go into operation Aug. 1.

In order to overcome the possible objection that the new federal tax on checks and the increase in postage would increase the expenses of the companies, general agents and others applying for agents' licenses, if the fee has to be paid with each application sent in, the commissioner has devised a plan under which applicants for license forms may order supplies, with one check to cover the fees of the lot, in advance of anticipated requirements. Any unused blanks may be returned to the department not later than 15 days before the close of the license year for which these forms were issued, and credit received for the advance fees paid. No return will be granted for a license once issued. Companies are requested to anticipate their requirements monthly or quarterly in advance.

Commissioner Kidd of Indiana is now circularizing all companies in his state asking whether they would prefer to

### Chief Figure



THOMAS J. HOUSTON

T. J. Houston, well known Chicago insurance adjuster, is being featured in San Francisco this week where the Shrine has gathered in its annual convocation. Mr. Houston is imperial potentate and therefore the head of the order. He and Mrs. Houston arrived in San Francisco last week and were the guests of honor at a number of receptions and other festivities. Mr. Houston has been prominent in the Shrine movement, starting at the bottom of the line and moving up to the highest point. He is a former Illinois insurance superintendent.

send the check for the agent's license fee when the application is submitted or whether they would prefer keeping an account of licenses issued and send the Indiana department a check covering fees on the first day of each month. If the demand for the change appears to be general, Commissioner Kidd says that changes in the licensing department will be made to accommodate the companies.

At the mid-year meeting of the National Convention of Insurance Commissioners in Chicago, Commissioner Dunham of Connecticut suggested that companies be billed monthly for agents' license fees instead of being required to make out checks for individual licenses in view of the new tax on checks.

# MARSH & McLENNAN

## Insurance

FIRE  
CASUALTY

LIFE  
MARINE

BOND  
AUTOMOBILE

164 West Jackson Boulevard, CHICAGO

NEW YORK  
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BOSTON  
PITTSBURGH

DETROIT  
COLUMBUS  
INDIANAPOLIS  
CLEVELAND

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MONTREAL  
PHOENIX  
WINNIPEG

DULUTH

SAN FRANCISCO  
LOS ANGELES  
PORTLAND  
SEATTLE  
VANCOUVER



## NEWS OF THE COMPANIES

### Clamps Down on the Company

#### New York Department Rules on Hamburg American Owing to Security Life Holdings

Inasmuch as the Hamburg-American was unable to comply with the insistence of the New York department that it secure the refund of \$400,057 paid for 28,669 shares of stock of the Security Life of America, with executive office in Chicago, the department directed the fire company to "cancel all outstanding reinsurance treaties as soon as this may be properly done; to cease writing any further business and liquidate its insurance obligations." It is further ordered that it agree not to commence writing until the ruling heretofore made to rescind the criticised action is accomplished; likewise that the plan to reduce its capital be abandoned.

"These restrictions," the department notifies, "are imposed upon the company continuing for one year, after which time the company will be liquidated by the superintendent unless the rescinding of the transaction is sooner accomplished and it will be understood that the superintendent will determine whether the transaction has been rescinded to his satisfaction."

At a special meeting of the board of the Hamburg-American a series of resolutions was adopted assenting fully to each and all of the requirements of the department, and empowering the officers to take whatever action be necessary to make them effective. Since its organization in 1925, \$1,859,000 was contributed to the surplus, the most recent addition, \$500,000, having been paid in last year. The shares of the Security Life were purchased last January from the New York Hamburg Corporation, controlling stockholder of the Hamburg-America, a transaction "that should never have been consummated in view of the interlocking character of the board of directors of the two Hamburg institutions," the department states. The Security Life is now in the hands of a receiver.

### Mutual Protection Fire Now Under New Management

BOSTON, July 27.—Management of the Mutual Protection Fire of Charlestown, Mass., one of the oldest of New England mutuals, incorporated in 1861, has been taken over by a group of four other Massachusetts mutuals, the Middlesex of Concord, Holyoke of Salem, Norfolk of Dedham and the Quincy of Quincy. These companies are not so-called factory mutuals.

Prescott Keyes has been elected president and treasurer; Eliot R. Howard, vice-president and manager, and Frank V. Noyes retains his title of secretary. The business of the company will be carried on in the office of the Middlesex Mutual at Concord, with all policies guaranteed by the four companies, the combined surplus of which is more than \$4,000,000. Beginning with policies terminating in August, 20 percent dividends to policyholders have been voted.

The Mutual Protection as of Dec. 31, 1931, reported assets \$159,384; premium reserve \$91,593; surplus \$47,979; net premiums written \$98,498; losses paid \$54,024; expenses paid \$51,249.

#### Change in Andover Mutuals

Frank L. Brigham has been elected vice-president in charge of production for the Merrimack Mutual Fire, Cambridge Mutual Fire and Lynn Manufacturers & Merchants Mutual Fire, all of Andover, Mass. Mr. Brigham for 19

years has been general agent for those companies. Edward C. Nichols, who has been assistant secretary, has been made secretary. Herbert H. Veit becomes general agent and Charles H. Cole, assistant general agent.

K. A. Churchill has been secretary and W. E. Burrage has been vice-president. B. S. Flagg is president of the three companies.

#### Franklin's Statement

The semi-annual statement of the Franklin Fire shows assets \$20,908,695, capital \$3,000,000, net surplus \$2,007,635, reserve for depreciation of securities \$6,550,000, premium reserve \$6,293,612. President Kurth said that the company has charged off over \$1,100,000 during the current year owing to depreciation in securities.

#### Capital Reduction Approved

At a special meeting of stockholders of the Fire Association, approval was given to the proposal to reduce authorized capital stock from \$10,000,000 to \$2,000,000. Outstanding stock is reduced from \$5,600,000, divided into 560,000 shares, to \$2,000,000, divided into 200,000 shares, \$10 par value.

It was voted that \$3,600,000 now standing in capital account be transferred to surplus. New stock will be issued on the basis of 14 shares of the present stock for five shares of the new.

#### Stockholders Approve Cut

Proposal to reduce capital of the Globe & Rutgers from \$7,000,000 to \$2,000,000 has been ratified by stockholders. The par value of the shares is reduced from \$100 to \$25.

#### City of New York Passes Dividend

The City of New York has passed its July dividend. Heretofore it has paid \$4 per share quarterly. Dividends were declared Jan. 20 and April 15.

#### Kidd Names Reserves Committee

At the recent meeting of the insurance commissioners in Chicago, Commissioner J. C. Kidd of Indiana was named chairman of a sub-committee of the committee on reserves other than life. He announces the appointment of Superintendent H. W. Hanson of Illinois and Commissioner E. W. Clark of Iowa as the other members of that committee. The committee, he said, will hold a meeting to hear arguments or statements from any who wish to be heard on particular points relating to the make-up of reserves and a report will be made to the annual meeting of the commissioners in October.

#### Hartford Branch Created

Establishment of a branch at Hartford is announced by the General Adjustment Bureau, the office to be under the management of F. W. Tuttle, assisted by B. B. Gracy. The branch heretofore maintained at New Haven will be discontinued Sept. 1, following which the territory will be controlled from Hartford.

In addition to managing the Hartford office Mr. Tuttle will continue in charge of the Springfield branch, of which he has been manager since 1922. At the latter office he will be aided by W. A. Thompson and E. E. Elliott and by Adjuster E. G. Purdy, recently transferred from Harrisburg.

#### Miscellaneous Notes

L. E. Gunderman has purchased the Harold Osborn agency, Villisca, Ia.

The Mel Foster Company of Davenport, has taken over Heesch, Carstens & Tallman. Herman Heesch and Edward Tallman will continue with the new organization headed by Mr. Foster.

The Indemnity Insurance Company of North America  
says this about

## The 1932 crop of BURGLARS

**H**ARD times mean an increased number of hard-up youths and men.

This, in turn, means an extra crop of burglars, sneak-thieves and hold-up workers.

\*Personal property of value insufficient to attract robbers ordinarily becomes well worth stealing when necessity urges.

\*This paragraph was underscored by us.

Conditions today prompt the wise householder to carry Burglary Insurance. But this, like any other insurance, must be written in a financially strong company in order to provide real protection.

Wise householders should carry Burglary Insurance. Wiser householders also will have an appraisal of their home and household so any burglary loss can be instantly checked.

A Lloyd-Thomas Home and Household Appraisal, made by bonded men competent in this work, gives a detailed list of everything in the home including objects d'art, paintings, bric-a-brac, novelties, etc., as well as all regular household articles. After a burglary such an appraisal makes it easy to quickly determine exactly what is missing and also the value of the loss.

Complete information regarding this service  
given any agent or assured without obligation.

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**UNION INSURANCE COMPANY of INDIANA**  
Executive Office—Indianapolis, Ind.

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OF  
CIRCULATIONS



National Publishers  
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### Chance to Stop a Leak

THIS is the great opportunity for business house cleaning, for repairing weak spots, for stopping up leaks, for checking waste, for getting rid of unprofitable activities, etc.

Both local agents and companies have been running amuck in their endeavor to return to policyholders part of the premium while the policy was in force. Skilled engineers and experts have been employed to make a study of risks and recommend improvements and if done the policyholder was given a rebate. It might seem that local agents were turning their whole organization loose on trying to find some way to give back to the assured part of the premium he had paid.

The assured is entitled to a rate reduction for improvements but in our opinion the contract price should remain in force during the life time of the policy. This subject came up in an informal way at the annual meeting of the NATIONAL ASSOCIATION OF INSURANCE AGENTS at Los Angeles. Many local agents declared that it was time to call

a halt. Not only is the money refunded to the assured during the life of a policy but extra work and expense are involved in putting the transaction through the office, both on part of the agent and the company.

We often wonder whether there is any other business that attempts to refund money after it has been paid where some subsequent change has been made in price. If during the lifetime of the policy the rate is reduced for any cause, agents jump to give a refund to their customers. Yet their customers make other purchases of various kinds and never expect any sort of a rebate, even if the price of the article they purchased is down three days after. Has not the time come for all hands to get together and eliminate this refunding of part of the premium while the policy is in force? When the expiration comes around and a new contract is to be entered into, then is the time to make the change. This certainly is the cause of much loss to agents and companies. In our opinion it should be remedied.

### Getting a Safer Banking System

UNDOUBTEDLY we, in this country, have been too parochial and have taken it for granted that everything in the United States was the best. As time has gone on and the acid test has been applied to various institutions during the last few years, we probably are finding out that there are better ways in other countries of protecting people along certain lines than we find here. For instance, during the last seven years no bank has failed in either Great Britain or Canada. This is announced by the UNITED STATES DEPARTMENT OF COM-

MERCE. At the same time it states that over 2,000 United States banks closed last year, tying up \$1,700,000,000. Therefore we might conclude that the banking system in Great Britain and Canada is superior to that in our own country. We certainly need a banking system that is far more substantial than we have. This is a problem that should engross the minds of all men of financial experience who are honest in their effort to devise a banking plan more secure than the one now followed in this country.

## PERSONAL SIDE OF BUSINESS

J. O. Cartwright, who resigned a year ago as vice-president of the Waynesville National Bank, Waynesville, O., after an association of many years with that institution, has joined the home office organization of the Western & Southern Indemnity and Western & Southern Fire of Cincinnati under Vice-President W. C. Safford, as supervisor of agency accounts. During the year he was connected with The National Underwriter Co. in its state hand book department.

R. W. Hoffman of Harrisburg, Pa., state agent of the Dubuque and National Reserve in Pennsylvania and Maryland, died suddenly at his home from a heart attack. He had been associated with the Dubuque for some 20 years. He had spent an evening playing cards with his family, retired and shortly thereafter heavy breathing was heard from his bedroom. A physician was hastily summoned but he had died before the doctor arrived.

H. A. Ackerman, manager of the automobile department of the Charles W. Sexton Company of Minneapolis, died last week from septic poisoning following an operation. Mr. Ackerman, who was 40 years old, had spent his entire business career with the Sexton organization.

Carl Taggart, president of the Lutz-Lollar Insurance & Investment Company, Oklahoma City, is dead as the result of injuries received in a gas explosion in his home. Mr. Taggart was burned while attempting to light the oven in the kitchen range. His wife received serious burns on the face and hands.

A. M. Hutton, head of the A. M. Hutton & Son agency of Wichita, died last week following a three weeks' illness. In addition to being a prominent member of the Wichita Insurers, Mr. Hutton was active in many civic enterprises. Earl R. Hutton, a son, is a partner in the agency.

W. F. Beyer, secretary of the Home and head of its automobile department, has outlined a vacation trip for himself and family, the carrying out of which should prove highly enjoyable. Motoring from his home in Westfield, N. J., to Buffalo, stopping en route at Watkins Glen and making the circuit of Niagara Falls, Mr. Beyer and party will go on to Duluth, via the Great Lakes route, disembarking at that city and from thence motoring to his camp on one of the smaller Minnesota lakes. Returning, the journey via rail and water routes will be through Canada and northern New York.

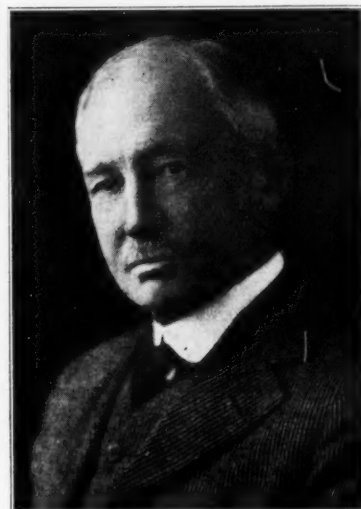
Charles R. Page, vice-president of the Fireman's Fund group, returned to San Francisco July 24, leaving Newark Saturday evening by plane. He had been on an extensive eastern business trip, during which he made a hurried trip to London, conferring with European representatives.

Kenneth J. Hoag, of Columbus, state agent in western Ohio for the Baltimore American and People's National, is recovering from a serious illness, which was aggravated, it is stated, by an error in the medicine given him.

Western Manager Charles E. Dox of the London & Lancashire group, who has been confined to his home for some time, is still unable to be at his office but is taking life easy at his summer place which adjoins the Glenview Golf Club at Golf, Ill. He may pay his office a visit next week.

Ira D. Goss of Chicago, western farm superintendent of the America Fore

### Retired Official of Fire Association Dies



JOHN B. MORTON

John B. Morton, who retired as vice-president of the Fire Association in 1925 and was president of the National Board in 1921 and 1922, died at his home in Merchantville, N. J., at the age of 84. He had been ill for several months and about two weeks ago suffered a heart attack which resulted in his death.

Mr. Morton was born in Philadelphia in 1848. He was a direct descendant of John Morton, a signer of the Declaration of Independence. He started in the insurance business with a local agency in Philadelphia in 1865 and joined the Fire Association in 1873. He progressed and became second vice-president and later vice-president. He was president of the Eastern Union in 1915 and 1916.

The National Board named a committee to represent it at the funeral Monday afternoon, consisting of Benjamin Rush, president of the North America; Wilfred Kurth, president of the Home; Gustavus Remak, Jr., president of the State of Pennsylvania; O. E. Lane, president of the Fire Association, and Sumner Ballard, president of the International.

group, is spending a month or so at his camp on the Tippecanoe river in Indiana, where he is studying at first-hand farm problems and getting a keener and closer insight into the hazards.

Visiting him this week on the banks of the picturesque Tippecanoe, and also getting into more intimate touch with things agricultural is E. A. Henne, America Fore western manager.

The Oklahoma Blue Goose is mailing to interested ponds and delegates timely brochures boosting the candidacy of T. Ray Phillips of the America Fore group for grand keeper of the golden goose egg. This brochure is attractive and sets forth in clear, concise manner Gander Phillips' qualifications for the office.

Neal Bassett, president of the Firemen's of Newark, was featured in the artgrave pictorial section of the Newark "Sunday Call" of July 24, showing a picture of Mr. Bassett with his two dogs, one a German police dog which he has named Lasso von Hohenthal, and his Boston bull Patricia. The picture was taken on the steps of Mr. Bassett's home in Montclair, N. J.



# POLICY PETE - BELIEVES IN WINDOW DISPLAY ADVERTISING



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# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### May Seek New Tax Sources

#### Ohio Intangible Tax Law Has Not Produced the Revenue That Its Sponsors Anticipated

COLUMBUS, O., July 27.—The Ohio intangible tax law has not produced the revenue predicted. Consequently it is believed the next session of the Ohio legislature may be seeking taxation sources and Ohio insurance men are prepared to ward off, if possible, the regular attempt to pluck more tax feathers out of the insurance goose. A compilation of the revenues from insurance companies for each state in 1930 showed that Ohio ranked fourth in the amount received, which totaled slightly over \$7,000,000. In that same year the operating cost of the department was \$127,737. In other words, 1.81 percent of the amount collected from the companies was used for service to policyholders while 98.19 percent was used for operating other departments of the state government.

#### Ohio Was Forty-fifth

For 1930, Ohio ranked, according to the percentage of the insurance tax dollar used for the service of the policyholders, 45th and unless other states have cut appropriations for the insurance department as did Ohio for 1932 to 15 percent less than used in 1930, Ohio probably now places at the bottom of the entire list of states, measured by the percentage of the insurance tax dollar used for service to policyholders.

The flat percentage expense reduction plan has worked a real hardship on the Ohio insurance department, which has been operating for years on a schedule of salaries and expense charges that are low even at today's deflated prices.

Particularly, when compared with expenses in insurance departments of other states, the Ohio department has operated at a cost which is 20 percent to 25 percent lower than in states comparable in size and wealth. While having a reduced appropriation, the legislature continued to add duties to the office of the superintendent of insurance. It has been virtually impossible to perform some of these duties in a thorough way except when other departments of the state government have cooperated to furnish the necessary help.

### Marietta Losses Adjusted

Adjusters have just completed the settlement of the losses in the blaze at Marietta, O., a few days ago, in which the establishments of the Union Hardware Company and the Huff-Chevrolet agency were wiped out and a score of other buildings were damaged. The property loss was put at \$300,000 and the insurance loss \$250,000. The three and six-story brick and steel building of the hardware company and the two-story brick and steel garage were both totally destroyed. There is an engine house only two squares from the scene of the fire. The modern fireproof building of the Swan Hardware Company stood as a fire wall and prevented the destruction of the entire block, which is in the very heart of the city.

### Rerating Ohio Cities

Rerating of Columbus by the Ohio Inspection Bureau will be completed some time in September. It is planned to start the rerating of Toledo early in the fall.

A fire school is being held this week at Morgantown, W. Va. H. J. Manning and R. E. Christwell of the Ohio Inspection Bureau were in attendance.

## CENTRAL WESTERN STATES

### Report Is Made on Rockford

#### National Board Engineers Tell About the Fire Fighting Conditions of the Illinois City

The National Board in reporting on Rockford, Ill., finds that the fire loss for the last five years was \$741,631 with an average loss per fire of \$454 and a per capita loss of \$1.79. The engineers say that the water supply is adequate but only fairly reliable. Good quantities are available for fire engine supply in most districts. The fire department is somewhat undermanned but has effectively kept the fire losses low. The fire alarm system is reliable but inadequate in extent. The engineers say that severe group fires are probable at many points in the principal mercantile districts. There is a fair proportion of improved construction and open spaces and fire fighting facilities are mainly adequate so that sweeping fires should be prevented. In the mercantile and manufacturing districts severe group fires are probable.

### Program Is Ready for the Upper Peninsula Agents

The Insurance Agents Association of Negaunee, Mich., has completed plans for the regional convention of the Upper Peninsula of Michigan agents to be

held in Negaunee, Saturday of this week. The registration and business session will be held in the city hall Saturday morning. There will be a luncheon at the Breitung hotel, which will be followed by a golf tournament at the Wawanowin Golf Club. Dinner will be served at the golf club house followed by dancing. Among the speakers will be Commissioner Livingston of Michigan and W. B. Calhoun of Milwaukee, president of the National Association of Insurance Agents. A large attendance is expected. Many special and state agents will be on hand.

### Arson Convictions Increase

Fire Marshal Hogston of Indiana reports that during the first six months of this year his department investigated 164 fires, reinvestigated 10 fires, obtained 14 confessions, made 23 arrests and secured 24 convictions. The department, he reports, investigated 8 percent fewer cases during that period than in the corresponding period of 1931 but obtained 26 percent more convictions. Of the cases investigated this year, 77 were rural fires, and 87 urban fires, five being for burning automobiles.

"It is much more difficult," Mr. Hogston states, "to make an arson case in the country than in a city or town where there is a good fire department. In the city or town the fire department will generally discover the 'set' or some other evidence. In the country it is in most cases completely destroyed by fire. In practically all cases investigated the

property is greatly over insured. In the cases where conviction was secured more than 90 percent were brought about for the purpose of collecting the insurance."

### Prepare for Michigan Meeting

A meeting of the Flint Association of Insurance Agents was held last week to talk over plans for the forthcoming convention of the Michigan Association of Insurance Agents to be held in that city Sept. 28-29. It was reported that the program is shaping up in a very excellent way.

### Fix Indiana Convention Dates

INDIANAPOLIS, July 27.—Officers, directors and committee members of the Indiana Association of Insurance Agents met in Indianapolis Monday and dis-

cussed membership and finance questions. It was decided to hold the annual meeting Oct. 20-21 but the place of meeting was left open.

### Would Merge Indiana Departments

A bill to merge the insurance and banking departments has been introduced in the special session of the Indiana legislature.

### Central States Notes

The Galligan & Baur agency at Peru, Ill., has been sold to Hill & Gore.

H. G. Rouse has started the Wyandotte Insurance Agency at Wyandotte, Mich.

G. E. Marron of the Webster Deeds Adjustment Co. of Denver, formerly with the Western Adjustment at its Sioux Falls, S. D., office, has been visiting old friends and insurance associates in Sioux Falls before leaving for new fields west of the Rockies.

## STATES OF THE NORTHWEST

### Mortensen Not to Interfere

#### Refuses to Restrain Solicitation of Renewals of Defunct Hobbins Agency at Madison

MADISON, WIS., July 27.—Commissioner Mortensen has dismissed a complaint filed against Mrs. M. E. Nelson, a Madison insurance solicitor, and A. C. Lindauer of the Lindauer Insurance Agency, asking that they be restrained from soliciting renewals on business formerly carried with the J. N. Hobbins agency.

This agency was taken over by former Commissioner M. A. Freedy as trustee and the Commercial Insurance Agency of this city. Mrs. Nelson was formerly connected with the Hobbins agency and is now employed by the Lindauer agency.

The commissioner held he had no jurisdiction in the matter and could not restrain Mrs. Nelson or the Landauer agency from competing for the business.

#### No Obligation Shown

A number of cases were cited by the plaintiffs upholding the principle that an employee may not use information gained as an employee for the purpose of acquiring the business of his employer. "The commissioner is of the opinion that such is not the case here," states the decision. "Counsel overlooks the fact that upon her severance of employment from the Hobbins agency, that agency was transferred to parties that in a business sense were strangers to Mrs. Nelson, and she owed them no duty in any respect. A different situation would have arisen if Mrs. Nelson had left the Hobbins agency and attempted to underwrite its business or take advantage against that agency of information she had acquired while in its employ. There is no testimony to show that she was ever in the employ of either of the complainants or ever acted in the capacity of agent for either of them."

The commissioner points out that neither the Lindauer Agency or Mrs. Nelson have been shown to have any lists or records of the Hobbins agency, nor that it was shown she had had access to the records of the Hobbins agency "other than memory," and says "it would be unreasonable to expect anybody should be denied the right to exercise their intellectual faculties in pursuance of the business in which they are engaged."

John M. Harrison of Marsh & McLennan has been named chairman of a special committee to handle the Minneapolis relief program.

### Decides Mutuals May Borrow

#### Assessment Feature Does Not Bar Co-operatives From Getting Loan From Reconstruction Finance Corporation

Assistant Attorney General Gurnee of Minnesota holds in an opinion to Commissioner Brown of that state that mutual companies under the Minnesota statutes may borrow to pay debts and losses and may pledge their assets as security for such loans.

Commissioner Brown inquired whether a mutual fire company has authority to borrow money to pay legitimate debts and losses and to pledge its assets as security. The proposal was to borrow from the Reconstruction Finance Corporation.

The attorney general was guided in his decision by an opinion of Stinchfield, Mackall, Crounse & McNally, counsel for the Reconstruction Finance Corporation.

#### Has Power to Borrow

Mr. Gurnee expressed the belief that a business corporation is impliedly authorized to borrow money and possesses the incidental power to give securities for the payment of such a loan. An insurance corporation possesses the same implied and incidental power. Unless there is a statute or provision contained in the charter or by-laws of a mutual company, which operates as an express or implied restriction, a mutual company has the same power to borrow money and give security.

Mr. Gurnee said that the right to assess the members of a mutual company in order to raise funds to pay losses is not exclusive. This is a valuable and inherent right appertaining to a mutual company, he said, but one to which it should not be required to resort where the necessary funds may be obtained through the medium of a temporary loan.

The frequent levying of assessments by a mutual company in order to raise cash for a temporary purpose, the assistant attorney general declared, when the company has ample assets which are not immediately available as cash, would prove very disastrous to the mutual companies.

### Wisconsin Bureau Club Meets

MILWAUKEE, July 27.—The Wisconsin Insurance Club, state field club of the Western Insurance Bureau, held the first of a series of monthly luncheon meetings here last week. L. R. MacDonald, Dubuque Fire & Marine, vice-president, presided in the absence of



# LOYALTY GROUP

## JANUARY 1, 1932 STATEMENTS

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### FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

#### CAPITAL

\$18,795,380.00

#### ORGANIZED 1888

#### SURPLUS TO POLICYHOLDERS

\$32,306,202.99

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### THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

#### ORGANIZED 1883

\$ 2,034,545.17

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### THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

#### ORGANIZED 1884

\$ 1,226,248.02

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WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

### NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

#### ORGANIZED 1888

\$ 1,563,520.84

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### SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

#### ORGANIZED 1871

\$ 1,603,338.23

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WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

### THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

#### ORGANIZED 1870

\$ 1,751,660.54

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JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.  
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### THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

#### ORGANIZED 1886

\$ 511,958.09

CHARLES L. JACKMAN, President NEAL BASSETT, Vice-President

### UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

#### ORGANIZED 1908

\$ 137,264.60

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### MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

#### ORGANIZED 1882

\$ 4,967,756.04

NEAL BASSETT, Chairman of Board  
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M. S. LANDERS, President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President  
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### THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

\$ 1,000,000.00

#### ORGANIZED 1874

\$ 2,009,866.67

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### COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

#### ORGANIZED 1909

\$ 1,814,648.30

**WESTERN DEPARTMENT**  
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HERBERT A. CLARK, Vice President  
H. R. M. SMITH, Vice President  
JAMES SMITH, Secretary

**CANADIAN DEPARTMENT**  
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**EASTERN DEPARTMENT**  
10 Park Place  
NEWARK, NEW JERSEY

**PACIFIC DEPARTMENT**  
220 Bush Street,  
San Francisco, California  
W. W. & E. G. POTTER, 2nd Vice Presidents  
F. E. BRISBINE, Res. Vice President  
FRED W. SULLIVAN, Secretary

**SOUTH-WESTERN DEPARTMENT**  
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LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

# ADVANTAGES of the GENERAL AGENCY PLAN

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Non-competing  
Personal contact  
Sympathetic  
understanding  
Rapid service  
Immediate decisions  
Prompt adjustments  
"Close-by"  
Aggressive helps  
"Home Office"  
Service

## TO COMPANIES

Develops territory at  
low cost  
Relieves Home Office  
of details  
Responsible for  
collections  
Selects profitable  
class of business  
Maintains staff of  
engineers and  
special agents

### ALABAMA

J. L. DAVIS, INC.  
Birmingham, Ala.

HURT & QUIN, INC.  
Atlanta, Ga.

### ARKANSAS

COATES & RAINES, INC.  
Little Rock, Ark.

L. B. LEIGH & CO.  
Little Rock, Ark.

TREZEVANT & COCHRAN  
Dallas, Tex.

### COLORADO

DALY GENERAL AGENCY, INC.  
Denver, Colo.

### FLORIDA

HURT & QUIN, INC.  
Atlanta, Ga.

### GEORGIA

HURT & QUIN, INC.  
Atlanta, Ga.

### ILLINOIS

M. L. LINTON & COMPANY  
St. Louis, Mo.

### INDIANA

G. L. RAMEY AGENCY, INC.  
Indianapolis, Ind.

### KANSAS

KANSAS UNDERWRITERS  
Wichita, Kans.

MILLER-STUDEBAKER AGENCY  
Topeka, Kans.

### KENTUCKY

BRADSHAW & WEIL,  
GEN. AGCY. INC.  
Louisville, Ky.

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Louisville, Ky.

### LOUISIANA

HENRY A. STECKLER, INC.  
New Orleans, La.

TREZEVANT & COCHRAN  
Dallas, Tex.

### MICHIGAN

A. J. HOLSTEIN GEN. AGCY.  
Detroit, Mich.

### MINNESOTA

ENCK & LINNELL, INC.  
Minneapolis, Minn.

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St. Paul, Minn.

### MISSISSIPPI

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Wichita, Kans.

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TREZEVANT & COCHRAN  
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### NORTH DAKOTA

WESTERN SURETY AGCY., Inc.  
Sioux Falls, S. D.

### OHIO

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Dayton, Ohio

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PHIL GROSSMAYER CO.  
Portland, Ore.

### SOUTH CAROLINA

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Atlanta, Ga.

### SOUTH DAKOTA

JOHN M. COGLEY, INC.  
Sioux Falls, S. D.

WESTERN SURETY AGCY., Inc.  
Sioux Falls, S. D.

### TEXAS

CRAVENS, DARGAN & CO.  
Houston, Tex.

GEORGE M. EASLEY & CO.  
Dallas, Tex.

TREZEVANT & COCHRAN  
Dallas, Tex.

### WISCONSIN

C. P. HELLIWELL  
Milwaukee, Wis.



THESE GENERAL AGENTS ARE IN EFFECT HOME OFFICES IN THEIR TERRITORY

General Outdoor Adv. Co.

for

friendly, rapid service

use your nearest

General Agent

This cooperative goodwill campaign which explains the advantages of the General Agency plan is fostered by the General Agents whose names are listed. Each of these is a member of the American Association of Insurance General Agents. Their duties are purely supervisory.

General Agents are in a position to help  
Local Agents obtain more business

THESE GENERAL AGENTS DO NOT COMPETE WITH LOCAL AGENTS

R. E. Hoskins, president. These meetings will be continued on the third Monday of each month.

Reports were made on the annual meeting of the club held in conjunction with those of other Western Bureau field clubs of states east of the Mississippi at Wawasee, Ind., last month. The agency balance rule was discussed but no definite plan was arrived at. Opinions were that an effort should be made to improve the situation in Wisconsin by attempting to bring non-cooperating members into line and to withhold information from members who fail to cooperate. Action on agency balances will probably be taken at the August meeting.

#### Topics for Minnesota Agents

ST. PAUL, July 27.—Several matters of importance to Minnesota agents will be brought up at the annual meeting of the Minnesota Association of Insurance Agents at Rochester, Aug. 26-27. One of these subjects will be the question of commissions on compensation insur-

ance. The recent increase in automobile rates also will come in for discussion. Several members have requested permission to present matters of interest to agents generally.

Walter H. Bennett, secretary-counsel of the National Association of Insurance Agents, has been invited to speak but it is not yet certain whether he will be able to attend.

There will be a golf tournament at the Rochester Country Club on the afternoon of the first day and a dinner dance there in the evening. There will be a sightseeing trip the afternoon of the second day. There will be entertainment features for the ladies both days.

Headquarters will be at the Koehler hotel.

The southern Minnesota regional meeting will be held in Albert Lea Aug. 16-20. Last week a regional session was held at New Ulm.

John A. Holmen, who for several years has been engaged in banking there, has opened a general insurance agency in the First National bank building, St. Paul.

## IN THE MISSOURI VALLEY

### Ottumwa Five-Year Figures

#### National Board Report on Iowa City for That Period Shows Average Losses Low

The National Board reports the gross fire loss for the past five years in Ottumwa, Ia., at \$292,797, with an average loss per fire \$279, "a low figure," and the average annual loss per capita \$2.18, "a low figure."

The water supply is declared to be adequate and fairly reliable; fair to good quantities are available in most districts. The fire department is very seriously undermanned and under equipped. There is no fire alarm telegraph system, entire dependence being upon public telephone service.

In the principal mercantile district, weak construction lacking in fire resistive features makes serious fires probable in many groups. A fairly adequate water supply and fair street widths mitigate this probability, but the undermanned fire department would have difficulty in handling fires which might develop in many groups.

#### Names Managers for Hail Mutual

LINCOLN, NEB., July 27.—Management of the Lincoln Hail Insurance Company, an assessment organization with 261 agents, which was taken over some weeks ago by the insurance department, following charges against the management, has been placed by Commissioner Herdman in the hands of M. Wit-

zenburg of Blue Springs and F. A. Wood of Omaha. They are authorized to collect all assessments due from members and to adjust all losses. They will remain in charge, Mr. Herdman says, until the policyholders have their annual meeting in January and vote on whether to continue the business. Mr. Wood has been agency manager for several years for the Farmers' Cooperative Hail of Grand Island, while Mr. Witzenburg was for some time president of the insurance board of the Nebraska Farmers' Union.

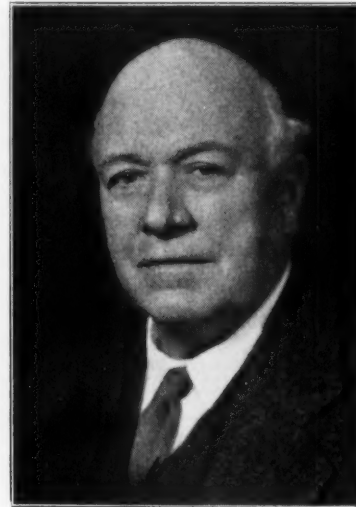
#### Ottumwa Board Launched

A permanent local board has now been organized in Ottumwa, Ia., with J. E. Hull as president; R. E. Wellman, vice-president, and J. H. Brennenman, secretary-treasurer. A temporary organization was effected in May, following a visit of C. E. Ford, president, and M. S. Hammond, secretary of the Iowa Association of Insurance Agents. Mr. Hull was temporary chairman. The committee on organization consisted of Mr. Brennenman, Mr. Wellman and E. A. Baer.

#### Another Storm Hits Washington

WASHINGTON, KAN., July 27.—Washington, which suffered a \$600,000 tornado loss July 4, was visited by a second windstorm last week which razed numerous temporary roofs, causing considerable water damage as a two-inch rain accompanied the wind. Scattered properties, including a rural school and church, not damaged by the

## Coming Back



ROSSE CASE

Rosse Case of Marion, Kan., president of the Kansas Association of Insurance Agents, who was stricken with a severe heart attack following the mid-year meeting of the National Association of Insurance Agents at Cleveland, and has been confined to his house ever since, is now able to be about his home and dictate a letter now and then. He is letting business severely alone. He has not been to his office and probably will not return there for some time. Mr. Case went on to New York from Cleveland and it was in the east that he was overcome. His son, Alex, looks after the agency and naturally the business is in competent hands. Mr. Case has always been a hard worker and has applied himself closely to his task.

first storm or rebuilt since were reported damaged or destroyed. Water caused considerable damage to buildings where repairs had not been completed since the first storm.

#### Adjusting Iowa Storm Loss

About 25 adjusters have been working in the country adjacent to LeMars, Ia. A storm July 6 caused damage in LeMars alone involving claims for more than \$200,000.

### Missouri Notes

D. S. McGonigle, 64, president of the McGonigle-Stinson & Metcalf agency, Kansas City, was injured fatally in a motor car crash near Augusta, Kan.

The St. Louis Court of the Cats Meow gave a summer festival for the members

and their ladies at the Crystal Lake Country Club on July 27. The Kitty Kat Klub, an auxiliary, had its regular monthly luncheon, followed by bridge.

H. F. Requardt, 68, deputy state fire marshal of Nebraska, died at his home in York. He had served under three state administrations.

## News of States in the Southwest

### New Collection Plan Started

#### Successful Policy Being Pursued by the Frates Company Agency Is Outlined

OKLAHOMA CITY, July 27.—A new collection policy has been adopted by the Frates Company to stimulate collections and to build business for the future.

The plan, as outlined by E. H. Gilbert, manager of the Oklahoma City office, involves assigning to each member of the agency a certain number of outstanding accounts for collection, preferably those he has created, and the clients he knows, personally.

The second inducement to adopt the plan was based on the belief that never has so great an opportunity prevailed for building good will and cementing friendship of policyholders as now. "Distressed accounts," Mr. Gilbert states, "formerly confined to the unreliable element of the clientele, have permeated the more desirable business ranks, and hundreds of people who are as good as gold and will pay every cent they owe just as soon as they can get the money, are as much worried because of their inability to pay as their creditors. This class of clientele we want and this is the type that we are trying to cement to our agency by sending our men to them personally to help them work out a plan by which they will not be forced to lapse their policies."

At the regular Monday morning

### Excellent Opportunity to Secure General Agency Connection for Missouri

A Strong, aggressive Company rated A-1 by Best Writing Fire and Allied Lines has a General Agency opening in Missouri for a well financed Insurance Producing Office controlling substantial business.

The generous capacity, facilities and co-operation available will enable a live insurance producer, soliciting direct lines, to substantially increase his business while better serving clientele.

Only selected risks of high type accepted—Independent rates, sufficiently low, attract responsible insurance buyers.

You may negotiate confidentially by addressing Box No. 1061, The National Underwriter, 175 W. Jackson Blvd., Chicago.

## "For Your Careful Thought"

Men are judged by their Associates.  
Likewise—Agents, these days, are judged by the Companies  
offered to their clients.  
The HANOVER & FULTON will prove satisfactory to your assured.

\$4,000,000 CAPITAL JAN. 1, 1932

\$7,816,196 POLICYHOLDERS' SURPLUS

\$18,824,484 ASSETS

LOSSES PAID SINCE ORGANIZATION \$75,358,933

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.



meetings a list of accounts is studied, and each one analyzed to develop the most successful program for handling. They are then assigned to individual agents with instructions not only to get the money wherever possible, but to observe the greatest care to create good will. They are urged to obtain the confidence of distressed customers, find out when they can pay and if necessary help them work out their insurance problems so they can make some payment, however small, sometimes even going with them to their employers to see if some adjustment can not be effected that will be satisfactory to all parties.

The first step is to contact the customer, either by phone or personal visit and ascertain whether he has work in prospect or any other means of raising money and when he can get it. If he is reasonable and has money coming in, the Frates company makes it a policy to let the account ride a little longer. If there is no prospect of this relief, the company prefers cancellation.

Sometimes the Frates representatives have even assisted in negotiating loans with finance companies or other sources as a means of temporary relief.

The company has found that collections have been materially stimulated through this means, and the officials feel assured that the seed of confidence, leniency and good will being currently sown, will reap a harvest when conditions improve.

#### Cooperate on Over-Insurance

SAN ANTONIO, TEX., July 27.—The San Antonio Insurance Exchange is cooperating with Fire Marshal Wolff in reducing over-insurance. The fire marshal has supplied the secretary of the exchange with a list of properties which he considers to be over-insured. He has set on these properties a maximum insurance which he considers fair to the property owner and the insurer.

The amount of insurance to be carried may result in a difference of opinion. However, the carrying of this difference into a large amount is not considered justified. Each agent is requested to show the adjustment of insurance which he carries on properties which are regarded as over-insured.

A letter requesting this cooperation

on the part of exchange members has been issued by Secretary F. F. Ludolph.

Field men here say balances are growing steadily worse. One special agent says they are 40 percent worse now than they were 60 days ago.

#### "Armistice" on Oil Drilling

OKLAHOMA CITY, July 27.—Placing in effect an armistice until fall, the factions favoring and opposing proposals to extend the U-7 or oil drilling zone here have "ceased firing." Committees of citizens, however, will observe the slogan that eternal vigilance is the price of success and will be alert to oppose any move by oil promoters.

J. S. Twyford, attorney for the oil interests, made known the armistice at the city council meeting when his proposal for leasing Riverside Park to oil companies was brought up but not considered seriously.

#### Cousins Opens Austin Office

AUSTIN, TEX., July 27.—R. B. Cousins, Jr., former chairman of the Texas insurance board and later president of the San Jacinto Life, has opened his offices in Austin as secretary of the Texas fire prevention committee. This organization has taken the place of the Texas advisory committee, representing the fire insurance companies writing business in Texas.

Mr. Cousins returned from New York recently where he went for a conference with the insurance company executives. Col. William Thompson and R. C. McConnell accompanied him to New York. Mr. McConnell is chairman of the new committee which will devote a great deal of its time to activities calculated to reduce fire losses and eliminate fire hazards in Texas.

#### Brousard Heads Beaumont Exchange

The Beaumont, Tex., Insurance Exchange has elected the following officers: F. D. Brousard, president; K. C. Withers, vice-president; Lum C. Edwards, secretary-treasurer, and Mrs. Wilhelmine Sheffield, executive secretary.

The insurance business of the Brain Loan & Insurance Company, Stuttgart, Ark., has been sold to the McDonald-Denslow Company.

## IN THE SOUTHERN STATES

### Report on Birmingham Issued

National Board Says Number of Fires High But Loss Per Capita and Per Fire Low

The number of fires in Birmingham for the past five years has been very high, although the loss per fire and per capita has been low, according to the National Board. The gross fire loss for that period amounted to \$3,473,382, the average annual number of fires per 1,000 population being 7.4, the average annual loss per capita \$2.69, and the average loss per fire \$3.63.

The water supply works are declared to be adequate and mainly reliable. The quantities available in the most important districts are adequate for engine supply but inadequate in some outlying sections. The fire department is strong but undertrained and deficient in minor equipment and heavy stream appliances. The fire alarm system is reliable but inadequate in extent.

#### Fire Areas Large

In the congested value district a considerable number of fire areas are large or excessive and of ordinary construction, lacking fire resistive features and private fire protection facilities predominate. These conditions make severe group fires probable, but as building heights are mostly low, streets are of good width, accessibility is good and fire fighting facilities are generally strong,

such fires should not extend beyond the block of origin.

In the minor mercantile and industrial districts severe individual or group fires are probable. In the residential districts the hazard is increased by deficient spacing of fire hydrants, congestion and wood shingle roofs.

### Reece Action, Campaign Topic

Tennessee Commissioner and Candidate for Governor Hurl Brickbats in Political Contest

Commissioner Reece of Tennessee is making the welkin ring in responding to the charges of Hill McAlister, candidate for the Democratic nomination for governor in that state, that the Tennessee insurance department had been acting "as an agent of coercion and oppression towards special business interests in a manner that should be rebuked."

McAlister charged that Reece's administration had been dishonest, was being used to raid and manipulate for political purposes the insurance companies under his supervision and that such action on his part should be made a felony and furnish cause for removal from office.

In an open letter to McAlister, Mr. Reece asks several questions, such as: "Do you consider my action in protecting the people of Tennessee as the law requires from further robbery by cer-

## The Professional Mourner vs. A Sense of Proportion

PICK up a sensational newspaper, serving a curiosity about the less admirable exhibitions of our common humanity, and the quick and natural conclusion is, "Nobody has any morals."

But look up from that page and regard sanely your own neighborhood of decent, responsible persons, doing the day's work, raising families on a foundation of self-respect and community responsibility; and your point of view changes.

The careless phrase, "Nobody has any morals" dies on the fresh, clean wind of fact, as will the thoughtless chant now coming into vogue, "Nobody has any money."

The professional pessimist, enjoying his brief place in the sun, has no concern with facts. To his distorted vision the world is hurtling merrily to the bow-wows. He sees the man who has no job and forgets the twenty who still rise to "Big Ben's" call in the morning. He moans as he hears the shutters close on a once pretentious mansion and closes his ears to the sound of the hammer and the saw as his neighbor builds a new porch on what he is still proud to call his home.

It does not require any great perspective or sense of humor to appreciate the absurdity of the professional mourner's position, as he chants his dirge, "Nobody has any money."

Somebody has money to buy everything which can be sold. Somebody has money to invest in life insurance at a time when as never before, it looms as a "great rock in a weary land."

Forget the exhibitionist few who make the front page and remember the great quiet army of those who are not "news"; those who have not given up, but are working toward something better for themselves and their children. They are still buying bread and butter and an occasional piece of cake. And they are still buying insurance from the life underwriter who refuses to lose his sense of proportion.

*John Hancock*  
MUTUAL  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

## Something New

For those concerned with the litigation and settlement of insurance claims.

The

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Road maps the law library for further research, when necessary to prepare a brief, by references to publications giving supplementary authority.

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Dallas, Texas

Capital \$1,000,000.00 Surplus \$1,000,000.00

Is considering entering Ohio.

Correspondence  
from General Agents Invited

Lines Written:  
Fire, Tornado, Full Coverage Automobile

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General Agents  
DALLAS

Representing only financially  
sound stock insurance  
companies in TEXAS

Fire  
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FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

The RELIABLE FIRE INSURANCE COMPANY  
DAYTON, OHIO

Surplus to Policyholders \$1,069,375

An independent Ohio Company with a record of more than 60 years of  
honorable dealing with Agents and Assureds

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that help you sell more insurance  
Send 10 cents today and get a sample of the NEW 1933  
National Underwriter Insurance Calendar, A-1946 Insurance  
Exchange, Chicago.

tain insolvent foreign insurance companies as an 'effort of coercion and oppression towards business interests not in any way connected with politics or government,' which should be rebuked when the people of this state in the past five years have lost over \$10,000,000 from the reserves of their policies by the failure of this department to protect them from such robbery?

### Asks Another Question

"Do you mean," another question is, "to state that, if elected governor, you will place in charge of this department a man who can be swerved from his duty by such threats and false charges as those which have been made against me by your banker supporters who went to the governor, and by the subsidized foreign insurance journals like the Chicago 'Journal of Commerce' in an effort to crush and destroy the proper functioning of this department in its protection of the people?"

Other questions are of like tenor. It will be recalled that Mr. Reece created a furore when he brought receivership action against the Missouri State Life and in the petition alleged insolvency or questioned the soundness of several companies, some of whose stock was up as collateral for loans with the Missouri State. He subsequently stated that these references had been inserted in the bill "inadvertently."

Mr. Reece held up the actual licenses of all companies, although stating that the evidence of authority to operate was in the files of the insurance department for most of the companies. He refused to relicense a large number of companies. Apparently the behavior of Mr. Reece is providing campaign kindling.

### Saint Asks Complimentary Lines for I. E. A. Members

John D. Saint, manager of the Louisiana Insurance Society, has sent a bulletin to all members requesting them during the next 30 days to give some good business to companies in their agencies which are members of the Insurance Executives Association. Included in the bulletin is a list of the companies and the individual members of the association.

"We want you to create some first class, properly underwritten, new business during the next 30 days—preferably one every day—to be dedicated to the company executive whose name appears opposite the company (represented in your agency) in the subjoined list," the bulletin requests. "Type a memorandum to be attached to the daily report reading as follows: 'Complimentary to Mr. — who assisted in creating the Insurance Executives Association.'"

"Keep this list before you for future reference and as new members are announced, keep it up to date; give these pioneers the best break," Mr. Saint concludes.

### West Kentucky Agents Meet

The West Kentucky Association of Insurance Agents held a two-day meeting and outing at Reelfoot Lake, July 26-27. Len S. Shaw is president and D. R. Peel, secretary-treasurer. Mr. Shaw until last month was president of the state association. A number of field men were also invited.

### Landlord and Tenant Lease

Lessee made certain improvements on the leased premises and insured same for \$2,000. The lease provided that these improvements should become the property of the lessor at the expiration of the lease. A short time before the lease expired the property burned, including all lessee's improvements. The lessee sued for the full amount. Held that the lessor owned the improvements made in the leased premises, subject to the lessee's right to use those improvements. Therefore, the only thing owned by the lessee which was subject to the

insurance contract was his immovable right of use and enjoyment in the improvements, and it was this right that was covered by the insurance of the improvements themselves. The insured's recovery must be limited accordingly. The amount of this recovery is by agreement of the parties fixed at \$187.12.—Lighting Fixture Supply Co. vs. Pacific Fire.—La. Sup. Ct.

### Confer on Kentucky Plans

LOUISVILLE, July 27.—Joseph H. Gausepohl of Covington, president Kentucky Association of Insurance Agents, has been in Louisville conferring with Secretary Leo Thieman relative to plans of the state association for the coming year.

### Tax Litigation Held Up

At the instance of the South Carolina attorney general, the federal court at Columbia, S. C., has filed an order staying proceedings to test the constitutionality of an act of the 1931 legislature imposing an additional 1 percent gross premium tax on fire insurance companies. Both the South Carolina commissioner and the complaining insurers are restrained from proceeding further until the state supreme court passes on the statute.

In the meantime a temporary injunction is in effect restraining the commissioner from collecting the tax. That writ was issued for the Aetna Fire, Hartford Fire and Home of New York. It was granted on petition of the companies after Commissioner King had notified the companies of his intention to revoke their licenses unless the tax was paid.

### Gasoline Voids Policy

NEW ORLEANS, July 27.—The state supreme court has affirmed the civil district court in the suit of Batista Picoraro vs. State of Pennsylvania, in which Picoraro was denied a judgment for the burning of a building in which tubs of gasoline were found. An arson charge is pending against Picoraro in criminal court, but the civil court decision was based on the clause in the policy which nullified it if gasoline were found on the premises.

### Reorganize Adjustment Co.

JACKSON, MISS., July 27.—A. J. Miazza, D. M. Mayers, A. S. Freret and E. G. Henne are now in control of the Insurance Adjustment Company of this city, of which the late Robert Henry was president. The business will continue under the name of the Insurance Adjustment Company with Mr. Miazza as president; Mr. Mayers, vice-president; Mr. Freret, secretary, and Mr. Henne, treasurer. The branch office at Hattiesburg, Miss., will be continued under the supervision of S. W. Woods.

### Insurance Bureau Charged Rent

RICHMOND, July 27.—Both the Virginia bureau of insurance and the state industrial commission, which administers the workmen's compensation act, are now being charged rent for space they occupy in the state office building, the bureau of insurance being charged annual rental of \$4,000, while the industrial commission has to pay \$10,000.

Governor Pollard devised this way of raising additional funds when the state encountered difficulty in balancing its budget.

### Ford Sells Agency

E. M. Ford, local agent at Owensboro, Ky., has sold his agency to William Medley, who will operate as the Medley Insurance Agency.

Mr. Ford was a member of the 1932 Kentucky legislature, and introduced the agents' qualification bill and other insurance measures. He is a member of the executive committee of the Kentucky Association of Insurance Agents. The sale of his agency has revived the



report that he may be appointed insurance commissioner, which post has been left open since Dan Talbott became state auditor.

#### Gulf to Cultivate Florida

The Gulf of Dallas has entered Florida and will be under the jurisdiction of George Edmondson, general agent at Tampa. Mr. Edmondson is one of the young but successful general agents of the southeast. For a number of years he was connected with Hurt & Quin, the Atlanta general agency. He bought out the Way general agency about a year ago. The Gulf is a well managed institution and is gradually extending its activities.

#### Allstate Enters Louisiana

NEW ORLEANS, July 27.—The Allstate of Chicago, insurance affiliate of Sears, Roebuck & Co., has entered Louisiana but has not qualified under the 1926 act by joining the Louisiana Rating & Fire Prevention Bureau. It operates at less than mandatory rates, and

it is not stated whether the deviation in rates has been approved by the Louisiana insurance commission.

#### Blue Goose Invites Agents

The Louisiana Blue Goose has invited members of the New Orleans Insurance Exchange to meet with the pond at its regular luncheons the first Monday in each month in New Orleans.

#### Kentucky Notes

The Shropshire & Florence agency, Georgetown, Ky., has been bought by Penn & Abbott.

At Scottsville, Ky., J. W. Hood has sold his recording business to Trout & House, but will retain his farm business.

The Letcher Insurance Agency, Whitesburg, Ky., has been incorporated by James P. Frazier, S. M. Childers and A. J. Holcomb.

E. H. Flanagan, formerly of Drakesboro, Ky., has purchased the interest of L. E. Ringo in the A. R. Estes agency, Bowling Green, which will be conducted in the future under the name of Estes & Flanagan.

## ON THE PACIFIC COAST

#### Fewer Agents in California

##### New Qualification and License Laws Account for Marked Reduction in Applicants

A tremendous reduction in the number of agents (other than life) is reported by the California insurance department for the fiscal year commencing July 1. During the first three weeks of the new fiscal year there were approximately 5,400 agents, 1,700 brokers and 300 solicitors licensed or a total of about 7,500 compared with 30,000 licensed during the year which closed June 30. A number of factors have a direct bearing on this outstanding reduction.

Under the new law corporations or firms are now licensed which eliminates duplications of license which heretofore have bolstered the total. The new law also provides for segregation into "agents" and "solicitors" which would reduce the number of "agents" licensed but would have no bearing on the final total. Under the new law the agent now deals direct with the insurance department in securing his license, paying his own license fee of \$1 which was formerly paid by the companies and it is believed that many part-time agents who were writing very small volumes are not bothering to secure a renewal in view of this fact. The \$1 fee entitles an agent to represent any and all companies which may officially appoint him.

Undoubtedly the qualification requirement of the new law is having a decided effect upon the number of agents licensed with the result that instead of there being a ratio of one agency license for approximately every 200 people in California there will be about 750 to 800 people for every licensed agent.

The qualification law is having a salutary effect on the agencies. Many of the brokers, agents and solicitors holding temporary certificates do not present themselves for examination by the department when notified and a great many have failed to qualify after taking the examinations with the result that there will undoubtedly continue to be a general falling off in the number of licenses issued.

#### Plan for Regional Meeting at Eureka, Cal., on Aug. 26

A regional meeting for the first district of the California Association of Insurance Agents is to be held at Eureka Aug. 26-27. This district embraces the north coast counties and it is expected

there will be a record attendance from numerous local associations in that territory. H. B. Scudder of Sebastopol, general chairman of the convention committee in charge of arrangements for the annual convention of the association at Santa Rosa in November, is making plans to take a large delegation from Sonoma county and a number of other association leaders are organizing groups for the purpose of stimulating interest and enthusiasm for the annual meeting. It is also expected that a number of company executives and field men will be in attendance.

H. J. Thielen, past president of the California association and national councillor for California, is to be one of the principal speakers. Percy S. W. Ramsden, president of the California association, and F. C. Colridge, executive secretary, will also take an active part in the program. It is planned to devote Aug. 27 to golf and deep sea fishing. A banquet is to be held that evening.

#### Opens Office in Hollywood

The brokerage firm of Stebbins, Leterman & Gates has opened an office in the Equitable building, Hollywood, for southern California, in charge of Arthur A. Ebenstein, secretary-treasurer, who has been in Los Angeles for some time. W. A. Dunham is appointed manager of the fire department of the new office, and Frank Maggio manager of the casualty department. Mr. Dunham was formerly with Henley & Scott while Mr. Maggio was with the Great American Indemnity at San Francisco for some time.

#### Combine North America Offices

SAN FRANCISCO, July 27.—With the removal of the Indemnity of North America from the Insurance Center building to 231 Sansome street, all departments of the North America, Alliance and the marine departments of the Philadelphia Fire & Marine, National Security and Central Fire of Baltimore are housed under one roof.

Management continues as heretofore, with McClure Kelly at the head of the fire and automobile departments, H. J. McCauley of the marine department and R. W. Forsyth in charge of the Indemnity of North America.

#### Walt in Adjusting Work

Harold H. Walt, formerly superintendent of claims and later vice-president of the Union Automobile of Los Angeles, has resumed active insurance work as an independent adjuster and investigator after being engaged in other work for the past two years. He

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#### Hail Storm in Utah

SALT LAKE CITY, July 27.—Utah farmers are turning their attention to hail insurance as a result of the furious storm which struck the state some days ago doing more than \$500,000 damage in the northern part of Utah alone. In one place 10,000 acres of dry-farm wheat, all but ready for harvest, was ruined. Roofs were damaged and innumerable windows smashed.

#### McNamara on the Coast

N. A. McNamara of Chicago, western supervisor of the Public Fire, who is in charge of the Chicago office, is in San Francisco this week in conference with Leo Pockwitz of that city, manager of the Public.

#### Perry in Local Agency Field

W. J. Perry of Los Angeles has resigned as manager of the branch office there of the Crescent Brokerage Corporation and will form a partnership with Frank Hendrickson in the local field. Mr. Perry was for ten years special agent in southern California for the Home of New York group.

#### Inspects Yellowstone Park Properties

DENVER, July 27.—At the request of Roger W. Toll, superintendent of Yellowstone National Park, Chief Engineer L. A. Barley of the Mountain States Inspection Bureau has just completed an inspection of the hotels and lodges in the national playground.

## Eastern States Activities

#### Rating Work Being Combined

Middle Department Association Will Take Over the Work Done by Three Bodies

The Middle Department Rating Association will take over the rate making done by four organizations in three states. It will have charge of rating in Pennsylvania and Delaware and Maryland, outside of Baltimore Board territory. John Kremer, vice-president North America, is chairman of the committee that has been carrying the movement forward. The plan is to amalgamate the work of the Philadelphia Fire Underwriters Association, the Allegheny County Board, the Philadelphia Suburban Underwriters Association and the Underwriters Association of the Middle Department. The divisional organizations will be known as Philadelphia, Allegheny, Suburban and Middle Divisions of the governing association. The territory will be that of the present organization. The Middle Department Rating Association will have its headquarters in Philadelphia, with district offices in such cities as may be designated.

#### Modified Schedule Presented

New York Fire Insurance Rating Organization Urges a Simple Form for Mercantile Risks

The New York Fire Insurance Rating Organization has devised a form of modified mercantile schedule, which will be tested in Erie county, outside of Buffalo, and in a part of Westchester county. If it is deemed satisfactory it will be used to rerate all of New York

State outside of New York Fire Insurance Exchange territory. It is estimated that this simplified schedule will produce an average reduction in building rates of about .06 and an average increase of .07 in stock rates. W. J. Ward, secretary of the organization, declares that a more simple schedule was necessary for the reduction of expenses. Schedules, he declares, have become very involved and open the way for sharp competition. A new schedule, he says, will tend to eliminate many reratings heretofore required.

The New York insurance department has made an examination of the pro-

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posed plan. The examiners assumed a permissible loss ratio of 55 percent and found that the average rate level on two classifications was about 7 percent too high. The examiners recommend that the companies be required to file with the department a permissible loss ratio and the formula from which it is derived. The fire companies and rating organizations, the examiners say, do not have such a ratio now. The examiners say the old system of judgment rating on sprinklered risks in Syracuse and Buffalo still continues. It is recommended that such risks be transferred to the schedule rating basis.

### Urge Fire Prevention Bureau

PATERSON, N. J., July 27.—The National Fire Protection Association has recommended that Paterson organize a fire prevention bureau with trained men. It is believed that through this medium fire losses will be materially reduced.

Arrangements are also being made by the officials of the city to make proper inspections and reports on the various buildings and industrial plants throughout the city.

### Probe Incendiarism at Erie

ERIE, PA., July 27.—The Erie chamber of commerce has taken steps to put an end to incendiary fires in this city. Frank S. Allen, insurance company investigator, will return to Erie to make a thorough study of a large number of recent fires of either known incendiary or suspicious origin. When his report is ready the chamber will call a second meeting to determine what can be done to eliminate such losses in the future.

At a first meeting in the chamber's headquarters prominent business men joined with the police, fire department and district attorney in studying the problem and agreed to continue the movement on a city wide scale.

which totaled \$125,000, of which \$88,000 was paid in cash. Of this amount \$55,000 went to salesmen's commissions and the balance, with the exception of about \$2,300, was retained by the officers as salaries. After an investigation the company disbanded, leaving the public holding worthless contracts for two years' services.

### Collision Policy Is Construed

Michigan Supreme Court Held Company Liable Where Property on a Truck Was Damaged

The Michigan supreme court in *C. & J. Commercial Driveway vs. Fidelity & Guaranty Fire* construes an automobile policy. A truck was transporting an automobile from Louisville to Nashville. While it was passing over an old fashioned wooden bridge near Bardstown, Ky., the front end of the forward automobile came in contact with an overhanging plank and was damaged. The insurance company denied liability on the ground that the truck proper did not come in contact with the bridge although the automobile that it was carrying did. The court held that the clause in the policy relative to "accidental collision of the truck with any other automobile, vehicle or object" thoroughly includes and should be construed to include collision of an automobile on the truck with any other object such as an overhanging plank in the bridge.

### Reciprocal Receiver Enjoined

Circuit Judge Bernreuter of Edwardsville, Ill., has issued a temporary injunction which prevents James M. Pyle of Edwardsville, ancillary receiver for the defunct Federal Automobile, Indianapolis reciprocal, from enforcing judgments obtained against former policyholders.

The petition alleges that permission

to levy assessments was granted to the receiver in the Indiana courts, to give assurance of sufficient funds to meet the obligations of the reciprocal, but that subsequently this authority of the principal receiver was revoked.

The temporary injunction was made returnable at the October term of court.

### Widow Insists Her Fur Coat Isn't "Fur Floater"

Technical insurance terms sometimes cause humorous misunderstandings among the public. A client of the Parker & Davis agency, Detroit, representing the western marine department of the Fireman's Fund, became righteously indignant over a communication and statement from the agency in regard to premium on a fur floater policy. The woman is the widow of a city official.

"Enclosed please find check for \$5 to pay insurance on my fur coat," she writes in the dignified Spencerian hand of by-gone days. "My coat is still all most like new; has only one little worn spot on the bottom back. Lining does not even show any signs of wear and it is the first lining and neither do the cuffs show any signs of wear. Collar has a little powder mark that is all, my coat is beautiful and I object to you calling it a Fur Floater. Will be pleased to have you call to see it."

"Front door bell does not ring. I am in the garden most of the time. I am sorry to have you wait so long for the money but my tenants moved Feb. 18. And Apr. 1 I got a new tenant but had to come down from \$75 to \$35 per month. I am on the Police Widow's Pension Roll and the City has not paid us since March. I am enclosing a few stamps. It is all I have."

W. G. Merryweather, veteran Spokane local agent, has formed a new partnership with H. E. Rich as the Empire Insurance & Investment Agency.

## MOTOR INSURANCE NEWS

### Favor Higher Finance Rate

Agitation Started to Term Class "Instalment" Business and Make It Stand on Its Own Feet

Agitation has been started in the ranks of the National Automobile Underwriters Association to change the name of finance business to instalment business. Those favoring the change are those who favor charging a different rate for finance and individual car business. In the marine field, a higher rate is charged for instalment business and those advocating the change would like to have the automobile business conform to the marine business in that respect.

In October the segregated experience on finance business will be available. Members of the National Automobile Underwriters Association are required to enter their finance experience for the year ending Sept. 1 for the first time.

In most of the discussion about finance business, there has been little reliable data from which to argue. The finance experience has been lumped with general experience and there is no real proof that the loss ratio on finance business is greater than that on individual car business, but many executives believe it is and if so favor a higher rate for finance business.

### Ceases Auto Writing

The Chicago Fire and Marine department of the Lincoln Fire has discontinued writing automobile business in the west temporarily. Risks will be carried to expiration, but will not be renewed.

### Investigate "Service" Outfits

Complaints Received From Wisconsin Automobile Owners Arouse Action—Mortensen to Prosecute Offenders

MILWAUKEE, July 27.—Following receipt of a number of inquiries and complaints from automobile owners regarding automobile service contract companies representing themselves as motorists' associations and insurance companies, a warning has been issued to motorists against salesmen claiming to offer liability coverage. The warning followed a conference by John F. Lang, deputy insurance commissioner, with the better business bureau of the Milwaukee association of commerce, the district attorney and officials of the local motor club affiliated with the American Automobile Association. Complaints were received from various parts of Wisconsin, Mr. Lang said.

In a letter to the district attorney, Commissioner Mortensen indicated that prosecution might be resorted to and he offered to sign complaints in cases where evidence is obtained to show that the high-pressure automobile service salesman "tells the prospect that the 'contract' they are selling is a form of insurance. These so-called 'policies' are really a contract saying that the company will provide towing service, or certain kinds of repairing, or accessories, or legal advice in case of accident. At least two such companies are now operating, largely in smaller communities and rural areas.

An investigation two years ago of a company with headquarters in Milwaukee and Kenosha found that in one year salesmen obtained subscriptions

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(CONTINUED FROM PAGE 4)

the success with which it had been put in force in Seattle, recommending that other exchanges adopt it.

George R. Thieme, regional vice-president and the new secretary, advised that from a survey of western Washington practically all local exchanges in ten cities had been greatly developed, and in some cases reorganized, and that the membership had increased from 75 to 197 members in the western Washington territory. Prospects are, he said, that another increase would be shown the next 12 months.

Bruce Hay, regional vice-president for eastern Washington, advised that local agents in his section were cooperating, that a considerable increase had been made in membership, and that candidates were being contacted for in advance of elections and would endeavor to have the best laws passed in justice to the insuring public.

Commissioner Fishback was attentively heeded when he said, "I do not feel that the present market values, or values that existed two years ago, are an indication of the true value of securities, which the insurance companies of the United States and Canada hold at this time." Present values are not a proper basis to be used, he said, inasmuch as another six months will elapse before the next annual statement will be issued, and it was a consensus of the commissioners that no change be made in basis at this time.

Mr. Fishback said that care is needed in the preparation of statements and there is no cause for the people to worry.

The stirring address of Percy H. Goodwin, past president of the National Association of Insurance Agents, was reviewed last week.

## Qualification Law

In discussing the qualification law idea, Mr. Goodwin advised the agents not to put too much faith in it, that it was good insofar as the commissioners enforced it.

As to collections, Mr. Goodwin expressed the belief that arbitrary methods are needed, that mandatory collection notices should be sent out and if not paid at the end of 60 days, the cancellation notice should go out. "Guard both your own and the company's interest at all times," he advised.

Mr. Goodwin was presented with a plaque, making him an honorary member of the Tacoma Insurance Exchange.

"The Metropolitan Plan and Reciprocity with Cooperating Companies" was the subject of A. S. Morgenstern, Seattle. He brought out the following points, which had either already been accomplished or that the members are seeking to accomplish: Reduction in number of local agents in Seattle; elimination of part time agents; cutting out dealer and finance companies as agents; unfair practices of curb-stone agents; aiding at all times the insuring public

and placing on policies a trade-mark of the association showing the members' affiliation; reduction of acquisition cost.

Since Jan. 15, 1932, Mr. Lewis has been employed as executive secretary and the membership had been increased from 87 to 122 and it is expected that by Jan. 15, 1933, an increase to 200 members will be made. The speaker urged other exchanges in the state to cooperate with the Seattle exchange.

The two vacancies on the executive committee were filled by M. B. Hevly, to fill the unexpired term, and R. J. Martin of Spokane.

## Joy Lichtenstein's Address

"The Agents' Problems as Seen by a Company Man" was the subject of the address of Joy Lichtenstein, Pacific Coast manager of the Hartford Fire and Hartford Accident. He said that a man to be a successful agent should have capital and a capacity for work. Only men of character should be welcomed in the business, he declared.

Mr. Lichtenstein analyzed the competition among field men to acquire the big producing agents, the competition among local agents, which he said is keener today than ever before.

Mr. Lichtenstein urged all agents to join their local, state and National associations. In commending the results accomplished by the National association, the speaker declared that Percy Goodwin was the most useful insurance man in the United States today.

He advised the agent to select his territory carefully and when there to stick and cultivate it, instead of being led off into another's territory.

In discussing the qualifications of the company man and the local agent, the speaker declared that often the local agent eventually becomes a good special agent, but rarely is a real company man a good producer.

## No Respect for Cut-Rater

In the long run the buyer does not have much respect for the cut-rate outfit as he is never quite sure whether or not they have really quoted his lowest price, Mr. Lichtenstein asserted.

The model insurance agent, he said, first has ample capital to launch into the business; keeps his overhead down, writes his business direct as far as possible, cultivates the business of his own town, instead of chasing the rainbow in some far off section; knows intimately just as many of his lines as possible; reads the insurance press thoroughly; uses as many of the agency helps as he is able to digest; and closely allies himself with the trade organizations.

A feature of the banquet program was an unscheduled address by Mr. Goodwin.

In answering his own question, "Who Makes the Rates," Mr. Goodwin gave in simple but effective language the exact story to tell to communities, which would get them to think, before they argued that rates were too high, and would show them that through their own carelessness in operation of automobiles that rates were forced higher. Also that many were extremely derelict in jury duty, devising excuses so that they would never have to serve.

## Attendance Cup Given

Following the banquet Bruce Hay of Spokane accepted the attendance cup, his city having the largest number in attendance at the annual meeting.

Retiring President Miller was presented with an electric clock. Mr. Lichtenstein was presented with the book "History of Seattle," and the same gift was given to Mr. Goodwin.

(CONTINUED ON PAGE 36)

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## Seek To Purchase Some Companies

(CONTINUED FROM PAGE 3)

folio. Of course the interests now quietly sounding out companies as to possible sales could go on the open market and buy securities, but figure if they did so they would force prices up, whereas if they secured complete portfolios at private sales they would stand a better chance for profit making.

### Situation as to Railroads

Most of the insurance companies carry among their assets a percentage of high grade railway bonds, a number of which recorded from 1 to 3 point market gains following approval by the Interstate Commerce Commission of the four-system plan for the east. Sympathetically there was a slight gain in the stock of the interested roads. While there will be no magical improvement in the condition of the carriers because of the action of the commission, it being estimated that ten years or more will be required to put the program into full effect, an immediate result, it is figured, will be the ability of hitherto competing roads to effect common economies by eliminating practices that have proven highly expensive. In their eagerness for patronage the different trunk lines developed a highly expensive train service, particularly for transcontinental travel, and even in the face of very limited patronage maintained it at a steady loss.

## Setup of Factory Mutuals Revised

(CONTINUED FROM PAGE 3)

were \$677,419; unearned premiums, \$317,621, and net cash surplus, \$318,134. The National Mutual Assurance was launched in 1902. Total assets as of Dec. 31 were \$238,589, unearned premiums \$111,816; net cash surplus \$98,306.

### LOSS RATIO IS DOWN

The loss ratio of the factory mutual companies for the first six months of this year was about 20 percent less than the same period last year. The loss ratio for June was 48 percent lower than June, 1931.

The factory mutuals have not hesitated this year to cancel risks which develop unsatisfactory symptoms. In shut-down plants any letdown in fire protection, any departure from the practice of keeping tanks full and sprinkler valves open and fire doors and elevator doors closed brings cancellation. In running plants, carelessness has prompted cancellation.

The factory mutuals are calling for a reduction in the amount of insurance carried on buildings upon renewal. The average reduction in insurance is estimated at about 15 percent. Joisted construction is being reduced about 20 percent and reinforced concrete about 10 percent. The factory mutuals do not have a coinsurance clause and consequently the insurance to value on their risks runs about 80 percent, whereas on stock company risks of the same character insurance to value is 90 percent. Therefore, with reduction in values today, the proportion of insurance to value on factory mutual risks without any reduction in the amount of the insurance carried is about 95 percent. On top of that, the mutuals are calling for an average reduction in amount of insurance of about 15 percent.

### Candles Cause Fires

SALT LAKE CITY, July 27.—A new fire hazard has arisen here as a result of the unemployment situation. Firemen report that the greater use of candles resulting from families being unable to meet their light bills is causing many fires.

## OVERLAPPING HEARING AUG. 3

(CONTINUED FROM PAGE 3)

cial objects of art and shall schedule specific objects insured and the insured value of each.

(b) Musical instrument floaters, excluding household instruments not customarily moved from the assured's premises. Such policies shall not cover in the permanent residence of the assured unless the instrument is of a rare old quality, viz., a Stradivarius violin.

(c) Radium floaters.

(d) Physicians' and surgeons' instrument floaters.

Such policies shall not cover instruments not commonly carried with the assured, viz., operating tables, instrument cabinets, x-ray machines or office equipment.

(e) Pattern floaters, excluding coverage on the assured's premises.

(f) Theatrical floaters, excluding buildings and their improvements and betterments and furniture and fixtures that do not travel about with theatrical troupes.

### Film Floaters

(g) Film floaters, including builders' risk during the production and coverage on completed negatives and positives and sound records.

(h) Salesmen's samples floaters, excluding the assured's premises.

(i) Silverware floaters, where the articles are itemized or subject to 100 percent coinsurance, but excluding the permanent residence of the assured.

(j) Wedding present floaters for not exceeding 90 days after the date of the wedding.

(k) Jewelers' block policies, excluding furniture, fixtures, tools and machinery of the assured.

(l) Exhibition policies on property while on exhibition and in transit to and from such exhibitions.

(m) Horse and wagon policies, including only horses used for draying purposes and wagons in the service of the assured.

(n) Installation risks covering loss to seller on account of physical damage to the property. Such policies shall cover articles of machinery or equipment only during the period of installation and testing.

(o) Specific articles of a floating nature, as follows: Equipment of contractors where such equipment is moved from place to place, adding machines, mechanical sales devices, storage batteries, equipment for sport and recreation. Such policies shall contain an itemized list of articles insured, with description and value of each, and shall exclude coverage on premises owned, operated, controlled or leased by the assured.

### Property in Transit

(p) Property in transit to and/or from and while waiting for or undergoing processing in bleacheries, fumigatories, dyesters, throwsters and other similar processors, until delivered to the storage warehouses or final place of delivery contemplated at the time shipment was made. Such policies may be issued only for the account of the owner of the property insured.

(q) Policies covering property sold under conditional contract of sale, partial payment contract, instalment sales contract or leased. Such policies shall not cover property affixed to real estate, viz., lunch wagons at permanent locations, and shall only cover the interest of the seller or lessor, and while such property is away from the assured's premises.

(r) Bailees' customers policies covering personal property of customers. Such policies shall cover in transit and during process at laundrymen's, dyers' and cleaners' premises, but shall not cover property of the assured or merchandise undergoing process.

(s) Furriers' and rug storers' customers policies. Such policies shall cover only specified garments or rugs, the property of customers, while away from the customers' premises.

II. Marine and/or transportation policies shall not cover property under the following conditions:

A. Storage of assured's merchandise, except as hereinbefore provided.

B. Merchandise in course of manufacture, the property of and on the premises of the manufacturer.

C. Furniture and fixtures in use, or improvements to buildings except as provided above.

D. Fire risk on all building materials

while in course of erection (after seller's interest ceases).

E. Fire or other risks on merchandise in permanent location, sold under partial payment, contract of sale, or installment sales contract, which involves protection of the purchaser's interest.

F. Risks on moneys and/or securities in safes, vaults, safety deposit vaults, bank or assured's premises.

### Casualty Companies Protest

While complaint against the inroads of the marine offices was first made by the fire companies, which alleged the former institutions under transport covers were granting indemnity upon specifically located risks, the more vigorous opposition came later from the casualty institutions, which resented the broadened types of coverage written by the marine offices. In August, 1930, representatives of the casualty companies reached an agreement with the marine offices, defining the forms of coverage each was to write. The arrangement, however, failed to work out satisfactorily, the casualty men becoming especially aroused when the marine offices began issuing the so-called comprehensive household policy under which the hazards of fire and burglary were assumed.

At the meeting of the National Convention of Insurance Commissioners in Chicago last month the matter was discussed at considerable length, resulting in the adoption of a memorial urging that state officials "give serious study to the legality of issuing policies substantially affording all risk coverage on contents generally of dwellings; that in connection with this study attention be devoted to the possible violence done to the established fire and the casualty business through disregard of standard forms and tariff rates as well as to the subject of license powers of the insurance company doing business in the respective states in the writing of this type of coverage, as either inland marine or personal property floater business."

In the light of the long continued controversy over the vexatious problem, the New York department is now making a determined effort to reach a satisfactory solution, and anticipates such will be the outcome of the general meeting to be held early next month.

## INSURANCE STOCK QUOTATIONS

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As of July 25

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas. ....	10	1.60	23	26	
Aetna Fire. ....	10	2.00	20	22	
Aetna Life. ....	10	...	11	13	
American, N. J. ....	2.50	.80	5	6	
Amer. Surety. ....	25	...	10	12	
Automobile, Conn. ....	10	1.00	9	11	
Baltimore Amer. ....	2.50	.40	1	2	
Boston. ....	100	16.00	225	240	
Continental Cas. ....	5	...	5%	6%	
Continental Ins. ....	2.50	1.20	11	12	
Fidel.-Phenix ...	2.50	1.20	11	12	
Fireman's Fund. ....	25	3.00	31	32	
Fireman's F. Ind. ....	...	...	12 1/2	15	
Firemen's. ....	5	.75	5	6	
Fire Assn. ....	10	.80	5	6	
Globe & Rut. ....	25	...	55	65	
Great Amer. Ind. ....	1	...	4	6	
Hanover. ....	10	1.60	16	17	
Harmonia. ....	10	1.80	5	7	
Hartford Fire. ....	10	2.00	29	31	
Home, N. Y. ....	5	1.00	8	10	
Ins. Co. of N. A. ....	10	2.00	23	25	
National Cas. ....	10	1.20	4 1/2	6	
National Fire. ....	10	2.00	24	26	
National Liberty. ....	2	.40	2	3	
National Surety. ....	10	...	6	7	
N. W. National. ....	25	5.00	50	56	
Phoenix, Conn. ....	10	2.00	34	36	
Prov. Wash. ....	10	...	10	12	
Public Fire. ....	5	...	1	3	
Public Indem. ....	2.50	...	50c	1 1/4	
Sun Life. ....	100	15.00	250	275	
Sprgfld. F. & M. ....	25	4.50	43	46	
St. Paul F. & M. ....	25	6.00	80	82	
Travelers. ....	100	16.00	252	262	
U. S. Fire. ....	4	1.00	8	10	
U. S. Fld. & G. ....	2	...	3	4	



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# The National Underwriter

July 28, 1932

CASUALTY AND SURETY SECTION

Page Thirty-three

## Increase in Rate Is Now Arranged

Schedule Goes into Effect in Non-regulated States Aug. 1 on Compensation

### EXPENSE LOADING ISSUE

New Plan Will Be Submitted to the Proper Governing Bodies in Other Commonwealths

NEW YORK, July 27.—Increased rates for workmen's compensation insurance will become effective both as to new business and renewals in Connecticut, Illinois, Indiana, Iowa, Louisiana, Michigan, Montana, Nebraska, New Mexico, South Dakota and District of Columbia on and after Aug. 1. Advances in all other states, except those maintaining their own rating bodies, will be applied as soon as sanction is given by the responsible governing official. The decision was reached, insofar as the non-regulated states were concerned, at the meeting of the regional and rates committees of the National Council on Compensation Insurance Thursday, and with respect to the application of an advance in the other states, when C. W. Hobbs, representative of the National Convention of Insurance Commissioners to the council, resolved in favor of the resolution submitted by the stock carriers the following day.

#### Issue Over Expense Loadings

In the matter of expense loadings the two types of carriers failed to agree, the stock men standing for a flat 40 percent varying according to the tax requirements of the different states, while the non-stock men held for a 34 percent loading. The proposition of the stock companies was that the 40 percent loading apply to all premiums up to \$1,000, save in Georgia and Minnesota, where the commission allowance on initial premiums was ordered reduced some months ago and which will be restored by the carriers, the loading to be decreased on all premiums in excess of \$1,000. Failing to reach an accord, as was confidently anticipated would be the case on the expense loading, means that the members of the National Council will now submit to the different regulated states two rating schedules; the one embracing figures of the stock and the other that of the non-stock carriers.

#### Considerable Delay Is Certain

These will be offered on behalf of the National Council by certain of its officers, and some weeks or perhaps months will likely elapse before the final result is known. Under the laws of certain states the insurance commissioner is allowed to accept but one rate schedule, and will thus be compelled to decide as between the two to be presented. It may be that neither will prove accept-

## Claim Settlements Being Effected on Lower Basis

### IMMEDIATE CASH ATTRACTS

Possibility of Saving Checked Somewhat by Fact More Attorneys Involved Than Before

Casualty claim adjusters today find that they can make settlements for 25 to 35 percent less than two or three years ago. Claimants are eager for money now and seem willing to accept a smaller amount immediately than to suffer delay of possible court action, even if they are convinced that they might collect more in the long run.

Some companies are cleaning up a lot of liability these days. They are deterred only by the fear of so far depleting their cash accounts as to necessitate selling securities in order to complete settlement. There is another obstacle, the fact that more cases are getting into the hands of attorneys than ever before. Where an attorney is interested there is less chance of making a settlement by holding out immediate cash.

#### Judgments Compromised

Quite often, when a verdict has been rendered against an assured, the insurer can even compromise the judgment with the claimant on threat of taking an appeal. For instance, a \$6,500 judgment might be compromised for \$4,000.

In prosperous times, settlements over and above hospital and medical expenses constituted something extra for the claimant, with which, perhaps, to buy luxuries. But today that settlement may mean staving off disaster and immediate cash is exceedingly attractive.

For those companies that have been conservative in setting up loss reserves, the downward trend in loss settlements and the ability to clean up liability for a smaller sum than was anticipated, will mean a good equity in the loss reserve. For those companies which have stinted in setting up loss reserve, it may mean that they can get by without calling upon surplus.

able, the commissioner instead preparing a schedule to meet his own views and seeking its adoption by the carriers operating in his particular territory. At best the situation is a complicated one and will prove troublesome to governing authorities, company executives and agents alike.

#### No Power in Expense Loading

While the constitution of the National Council provides for a vote being cast by the representative of the National Convention in the event of a tie on rating matters, no such power is accorded him in relation to expense loadings.

The gathering on July 21 was of the utmost interest, though it was regarded as a foregone conclusion that a deadlock would result in connection with expense loadings, each of the two classes of carriers having caucused previously and determined on a program for its respective representatives on the rates committee, which program was fully maintained. In addition to the gather-

(CONTINUED ON LAST PAGE)

## Interurban Trucks Are Not Regarded as Profitable

### NOT DESIRED BY COMPANIES

Many Hazards Are Found Which Cause Numerous Claims Under Casualty Insurance Policies

NEW YORK, July 27.—The experience of fire and of marine companies with coverages on interurban automobile trucks parallels very closely that of the casualty companies in the same connection. The losses sustained by the fire offices have proved so severe that some companies refuse to longer entertain lines of this character, while others accept the business very gingerly and only when accompanied by offerings of a more desirable type.

The causes held by casualty men as being mainly responsible for accidents to trucks are the size and weight of the trucks, the speed at which they are driven during the night, most of the driving being done between 7 p. m. and 7 a. m., tending to lull the drivers to sleep or at least to relax the degree of caution maintained during daylight and on congested roadways. The collision feature is notably hazardous and assumption of such risks is discouraged by the great majority of companies. While the suggestion of Commissioner Livingston of Michigan that insurance on automobile trucks be written on an experience basis doubtless was intended to apply particularly to the casualty companies, fire underwriters think the idea worthy of serious consideration insofar as their line of indemnity is concerned and the matter may be brought up in general conference in the near future.

#### Being Cut Loose

Interurban truck business is being cut loose by practically all casualty companies. One of the reinsurance companies has instructed its treaty holders to cancel off these lines and to cease new writings on penalty of losing the treaty facilities. This has caused many interurban truckmen to become homeless so far as insurance coverage is concerned.

The interurban truckmen are approaching companies of all sorts for coverage. They are looking in the highways and byways among the smaller companies. The executive of one small company, approached the other day, expressed surprise at the visit, saying that he had not had the pleasure of hearing from this truckman who operates 129 cars, two or three years ago, and asked the cause of the visit at this time. The truckman thereupon launched into a tirade against insurance companies, saying that they were all crazy; that the truck business was a good insurance line and proceeded to tell why. The executive of the small company then asked why, if the business was so desirable, the truckmen did not organize their own company to carry the risk. That ended the interview.

### McClain Gets Employers

Walter S. McClain, Denver general agent, has been given the representation of the Employers Liability for Colo-

## Depository Bonds Still Hazardous

Companies Fight Shy of Coverage Which Cost Them So Much Money

### REINSURANCE A PROBLEM

Drive for Fidelity and Fiduciary Business—Receivership Bonds Are in Demand

NEW YORK, July 27.—What with several thousand bank failures that have taken place during the last two years and the heavy losses paid in consequence by surety companies under their depository bonds, all offices have sharply reduced their writings in this line. Some companies have discontinued it altogether.

The volume of premiums obtained from depository bond business this year, it is safe to predict, will be considerably less than reported for 1931, despite rate increases in recent months.

#### Writings Are Curtailed

As a result of the experience during 1930 and 1931, the attitude of underwriters toward depository bonds has undergone a marked change. They have learned to fight shy of banking institutions with strong political affiliations, and no longer write bonds in such large individual amounts as formerly.

Inability to get adequate reinsurance and the freedom with which reinsurance, when secured, is cancelled; together with uncertainty as to the time and amount of recoverable salvages from defunct banks, has made the depository bond line anything but the favorite it was with many companies prior to 1930.

#### Concentrate on Other Lines

Instead, companies are driving for fidelity and fiduciary bonds now, urging their agents to seek these aggressively. The numerous failures that have taken place in financial, industrial and mercantile circles over the country in the last year have created an unusual demand for receivership bonds; a class of risks which surety companies are more than glad to write.

Aside from coverages on federal work, there is little call for construction bonds these days, states and municipalities because of fund shortages having sharply curtailed their construction programs. When improvement in this direction will come about, and the extent, are beyond the knowledge of underwriters, who in so far as they can are taking care of renewals, and are well content if these are not lost.

rado, Wyoming and New Mexico. He was general agent in the mountain field for the old New Jersey Fidelity, and for a short time represented its successor, the Commercial Casualty.

## Shift Property Damage to Personal Liability Claim

SEEN IN AUTOMOBILE LOSSES

Attempt Is Being Made to Take Advantage of Companies When Accident Occurs

Companies writing automobile liability, property damage and collision insurance find that while the decrease in liability premiums during the first six months of the year for bureau companies has not been so great, the shrinkage in property damage premiums is very noticeable. Collision insurance so far as bureau companies are concerned is down several levels. In fact some companies in their underwriting are suspicious of those seeking collision insurance, feeling that they will try to impose on the companies.

The most serious situation, however, concerns itself with the cutting off of property damage which many concede is the most profitable of the automobile lines at present. Companies would not be so much concerned if the result was merely a decline in premiums. They realize now that if an accident occurs hundreds of cases of pure property damage are shifted over into personal liability claims.

### Shift Claim to Personal Liability

A car that is struck may be damaged to some extent. When it is found that the offending car owner does not carry property damage but does have liability, then a personal injury claim is trumped up. The occupants have suffered nervous shock or some ailment has been aggravated. Before a release is signed on a personal liability claim demand is made that the property damage be taken care of. Companies find therefore that their liability loss ratio is increasing because of this effort to stretch property damage into personal liability. Then again many claims are being made that would not be thought of in normal times.

### Drive Against Highway Accidents

CONCORD, N. H., July 27.—Creating what is perhaps a precedent in the United States, Governor Winant of New Hampshire has issued a formal proclamation setting aside an entire month for a "Highway Accident Prevention Month."

The move is looked upon as a direct result of the action of the recent convention of the New England Association of Insurance Agents at Bretton Woods when a resolution was passed to invite the New England governors to cooperate with the insurance interests and others in a campaign for prevention of accidents on the highways, under the leadership of motor vehicle registrars.

### Depository Bond Quiz

The Pennsylvania senate has adopted a resolution for an investigation of methods of protecting bank deposits through depository bonds. A committee to conduct the investigation will be composed of four state senators, the state treasurer, auditor-general and the state secretary of banking. A suggestion was incorporated in the resolution that banks organize for self-insurance of deposits and then reinsure in bonding companies.

### Lownsbury in New Post

W. K. Lownsbury, formerly connected with the Chicago branch office of the Alliance Casualty, has joined the Bartholomay-Darling Company organization to undertake the development of brokerage business. This agency is the sole agent in Cook county for the Indemnity of North America.

## Chicagoan Now



SPENCER WELTON

Spencer Welton, vice-president of the Massachusetts Bonding, has now become a full fledged Chicagoan. He is making his permanent headquarters in that city, traveling from there into the 20 states over which he has jurisdiction. Heretofore he has been spending much time in Chicago, but has counted Boston as his headquarters and has made trips there every few weeks.

### Joint Defendant Measure Effective Despite Policy

MILWAUKEE, July 27.—Wisconsin in 1931 passed a law providing that an automobile liability insurance company can be made a joint defendant with its policyholder in a suit by an injured person. Some companies thereupon changed their policies to provide that the company should not be liable except after judgment had been rendered against the policyholder. In the Milwaukee county court Judge C. L. Aarons has held that the law is effective notwithstanding the change in policy terms, and that the insurance company can be joined in the original suit.

The case was interesting aside from the ruling on joining the insurance company. The Chicago & Northwestern railway sued H. P. Sigwalt for damages to one of its freight trains. Sigwalt drove his car into the side of the train. There have been many cases recently where railways have sued motorists in such circumstances. The Hardware Mutual Casualty was named defendant with Sigwalt and Judge Aarons denied its plea in abatement.

In Frederick vs. Teshin, where the London Guarantee was joined, the judge released the insurance company, at this stage, because the accident occurred two days before the law went into effect.

### Karl Freiburger Resigns

K. F. Freiburger of Marion, O., special agent of the Massachusetts Bonding, has resigned his position. He went to Ohio in 1929 for the American Surety, he having been with that company previously in Louisville. He started as office clerk in 1920 and later covered Kentucky and Tennessee as special agent. His new connection will be announced later.

### Claim Department Taken Over

The Chicago claim office of the General Indemnity of Rochester, N. Y., under J. J. Priestley, has been taken over by the claim department of the Independence Indemnity in that city under W. H. Love. The Independence Indemnity recently acquired control of the General Indemnity.

## Claim Rackets Exposed in Detroit and New York State

SWINDLES IN MANY CITIES

Fake Accidents Staged for Purpose of Collecting from Insurance Companies

An automobile insurance claim racket in New York state has been exposed with arrests in Buffalo, Syracuse and Albany.

The police have a 36-page statement from David Walker of East Worcester who was arraigned in Albany. James Quellon of Gloversville is being held in Buffalo. Walker told authorities that the swindles were staged in Albany, Glens Falls, Troy, Syracuse, Latham, Poughkeepsie and Utica.

Walker said that the usual procedure was to go to the scene of a projected imaginary accident in a car, purchased for him by Quellon, upon which he had just taken out liability insurance. In another car would be other members of the gang. The fake accident was staged on Saturday nights and Walker would report Mondays. In the investigation Quellon would be badly scarred. Quellon has a scar and at the time of the fake accident he would tear the skin, causing profuse bleeding. Other members of the ring would pummel each other to produce bruises.

### Companies Victimized

Among the insurance companies victimized were said to be the Indemnity of North America and the Commerce Casualty.

Others held are Cameo Betts, Clarence E. Colby, Theodore McDougal, Emma G. Van Antwerp, who are being held at Syracuse; Charles Snyder, Harry Levine and C. J. Garbey, held in Buffalo.

A number of arrests have been made in Detroit of persons charged with being accident fakirs. The investigation was conducted by W. A. Gibson of the adjusting firm bearing his name in Detroit, Kenneth L. Watkins of the Watkins Corporation; H. S. Toy, Wayne county prosecutor, and Howard Edsall, who was in the insurance business for 25 years, and is now a special investigator. Over 20 people are believed involved.

### How Racket Worked

In some cases a man would appear as the assured and file the report that he struck a man. In other cases the same man would appear as the injured.

According to the allegations, members of the ring located persons insured for liability and suggested a fake accident. The agreement was to pay the car owner one-third of the proceeds. The injured would get one-third and the other third would go to the operator. The claims paid were usually about \$500.

The ring leader and his wife were apprehended outside the office of Mr. Gibson, when they called for a check in payment of a claim.

### Five Held in Detroit

Four men and a woman have been arrested in Detroit charged with obtaining money under false pretenses and 28 others are sought as members of the same conspiracy, which has cost insurance companies in Detroit more than \$100,000 during the past six months, according to Prosecutor H. S. Toy.

Three physicians and three lawyers are among the members of the group. Mr. Toy declared, the physicians falsifying the extent of injuries and the lawyers bringing suit in case the insurance companies refused to pay the false claims.

Those arrested are Dr. S. R. Goldstein, J. L. Anchor, Charles Schnitzer and his wife, Mrs. Fay J. Schnitzer. The Schnitzers were arrested in the county building, where Mrs. Schnitzer was followed from an insurance office

## Advertising for Agent in Safety Poster Display

The National Association of Insurance Agents has arranged with the Postal Telegraph Co. for display of a poster, featuring accident prevention and agency service, in 2,000 telegraph office windows during August. These windows provide a daily circulation estimated at approximately 10,000,000.

Under the heading "Famous Insurers of History" and with an action picture of Stephen Decatur with his "Iron Men in Wooden Ships," the text of the poster reads:

"When the dark pirates of North Africa threatened the struggling commerce of our young nation, Stephen Decatur with his Iron Men in Wooden Ships smashed Tripoli and drove the pirates from the seas.

"By this victory Decatur made possible the building of our merchant marine, and insured the development of the nation's commerce.

"And today, the insurance agent plays an important part in the commerce of the country. He it is who arranges protection of vital importance and insures the stability of credit through sound insurance guarantees.

"Realizing the huge economic loss of two billions of dollars caused by automobile accidents, he has joined the nation-wide campaign to teach safety on streets and highways.

"Carelessness causes accidents. Be careful! Be efficient! Be secure!"

The poster was designed and produced by an advertising agency in the development of an idea originated by a local agent in New York state. Agents or local boards, desiring to be identified with the safety movement and benefit fully from this advertising, may procure additional copies of this poster with or without Postal Telegraph name plate. For information apply to C. B. Allsopp, Postal Telegraph-Cable Company, 67 Broad street; or Famous Advertising, Inc., 521 Fifth avenue, New York City.

at which she tried to collect a claim of \$500.

Mrs. Schnitzer when arrested exhibited a bandaged left wrist which when exposed revealed only marks from adhesive tape, investigators said. An affidavit that the wrist was fractured, thus entitling her to a claim, was signed by Dr. L. R. Adler, for whom police are searching.

### Unemployed Men Hired

Dr. Goldstein was released to his attorney after questioning. E. S. Maurer and J. L. Anchor were said by Mr. Toy to have admitted that they played the part of pedestrian victims in the fraud. Maurer went to police headquarters still wearing a cast on one foot. The system used was to find an unemployed man with an automobile which was insured and offer him a chance to make from \$100 to \$200 by making a false accident report, according to Assistant Prosecutor O'Hara.

Schnitzer would then take the man who was to make the report to the scene of the supposed accident and rehearse him in the details of the report he was to make, O'Hara said. Another man would be chosen to act as the victim, the supposed driver would admit that the accident was his fault and in most cases the insurance companies had to pay the claim of the insured driver or settle with the supposed victim, said Mr. O'Hara.

### Connecticut Veteran Dead

William F. Durgin, 71, manager of the New London, Conn., branch of the Massachusetts Accident, died at his home there following an illness of three weeks.



## Mutuals Are Not Satisfied With Virginia Bureau Setup

MAY APPEAL TO THE COURTS

Corporation Commission Launches  
Move for Thorough Investigation  
of Automobile Rates

RICHMOND, July 27.—Although granted some concessions in their appeal to the state corporation commission from the setup of the new Virginia automobile rate administrative bureau, mutuals were not satisfied with the outcome of the appeal and asked the commission for a rehearing, contending that its construction of the act providing for creation of the bureau deprived them of their constitutional rights and was discriminatory.

In the original setup of the bureau, the mutuals were given only one representative on the governing committee of seven, and under the constitution adopted it was optional with the stock companies, which controlled the meeting, whether they should be given any representation at all. The commission held that the minority, as between stock and non-stock companies, should be entitled to at least two members on the committee and that these should be nominated by the minority. The commission also made a change in section 8 of the constitution so as to provide that two members of the committee should be entitled to request a special meeting, instead of three as originally provided, and that a majority of the seven committeemen should constitute a quorum instead of two-thirds.

### Separate Organizations Suggested

In their petition for a rehearing, the mutuals suggested that in lieu of a single bureau with both stocks and non-stocks represented on the governing committee, there might be two separate organizations, similar to a plan now in operation in New York. If this is not acceptable to the commission, they want equal representation with the stock companies on the governing committee. The mutuals indicated that the case would probably be taken to the Virginia supreme court if the outcome of the proceedings before the commission is not satisfactory to them.

The commission is now planning a complete investigation of automobile rates, the organization of the administrative bureau being preliminary to this move. Pending the outcome of the probe, liability and property damage filed as March 22, 1932, will remain in effect, these rates having been temporarily fixed as the prevailing rates in an order entered by the commission last Saturday.

In accordance with the legislative act providing for setting up the bureau, which went into effect June 20, new rates had to be filed by the companies within a month. The new schedules are now on file in the bureau of insurance. They are being analyzed for presentation at the rate inquiry, which is expected to get under way at an early date.

### Urges Police Accident Squads

ST. LOUIS, July 27.—Establishment of special police squads to investigate all automobile accidents is recommended by Maxwell Halsey, traffic engineer of the National Bureau of Casualty & Surety Underwriters in a report furnished to the insurance committee of the St. Louis Chamber of Commerce, which has been investigating the causes for the high public liability and property damage rates here.

Mr. Halsey expressed the belief that such police squads would help reduce the number of automobile accidents, as they have proven very effective elsewhere and have aided materially in seeing that traffic law violators are properly punished.

## Challenge of Depression Met by Some Producers

Some companies are notifying their agents that in spite of hard times there are examples of producers that are holding their business and are able to offset cancellations by new orders. Some agents are accepting cancellations without much of a fight. The Hartford Accident in that connection makes the following statement:

"Some producers are intent upon finding every possible sales opportunity created by the business depression, while their competitors are grieving over their loss of volume. The complaint is made that it is futile to write new business for which the assured cannot pay, but on the other hand there is an energetic minority of producers who have devised ways and means of financing premiums or who operate on a collect-or-cancel basis, and who have met and conquered credit problems.

### Live Agents at Work

"We know of one producer who, before the new tax bill was a day old, had circularized prominent manufacturers and merchants, suggesting the need for additional safe burglary, interior robbery and holdup coverage because of the probable increase in the use of cash in the payment of bills, in meeting pay-rolls, etc.

"We know of another producer who is increasing his volume of all forms of liability business by pointing out to assured that the necessity of paying legal expenses and a possible judgment would be far more disastrous today than in times of prosperity and substantial surpluses; that it would probably be neces-

sary for an assured to sell securities at a tremendous sacrifice in order to pay a judgment in cash. This producer has capitalized on the depression. He sells automobile P. L. and P. D., residence P. L., O. L. and T. liability, and other forms of direct and contingent liability insurance on the basis that the form of insurance a man needs most is that which protects against the largest possible single loss that could conceivably occur. He sells it by pointing out that to 'save' a liability premium is as nothing compared with the possible loss of \$25,000 or \$50,000 and all of the material possessions and intangibles that so large a sum represents.

### Jeopardizing Boy's College Education

"Specifically, the other day this producer told a certain assured who was thinking of canceling his automobile liability policy that whereas by so doing he might send his young son to a summer camp for a week or so, he was jeopardizing the boy's college education by such a penny-wise policy because the necessity of paying a possible damage award of \$10,000 or \$20,000, more or less, would wreck that man's plans for his son's future. The fighting minority of producers are keeping their heads well above water. They are the survivors who will be picked up by the Ship of Prosperity. That that ship is approaching is just as certain as that day follows night. Prosperity may not be just around the corner, but never in the history of the world has it been recorded that good times have failed to follow bad."

## Dr. Geiringer and Reiley on Claim Association Program

Dr. Arthur Geiringer, associate medical director of the Equitable Life of New York, and Austin D. Reiley, supervisor of risks in charge of the home office underwriting department of the Mutual Life of New York, will be among the speakers at the annual convention of the International Claim Association at White Sulphur Springs, W. Va., Sept. 12-14. "Scientific Medical Investigation of Difficult Claims," will be Dr. Geiringer's topic, while Mr. Reiley will speak on "The Underwriter and the Claim Adjuster." Robert K. Metcalf, manager of the claim department of the Connecticut General Life, will give a special report as chairman of the committee on attending physicians' claim statements. This subject was discussed at the last meeting of the claim association and Mr. Metcalf was directed to investigate and report at the annual convention.

### "Ambulance Chasing" Act Upheld

BISMARCK, N. D., July 27.—Constitutionality of an act designed to prevent "ambulance chasing" was upheld in North Dakota supreme court. The statute was attacked on the ground that it infringes on the rights guaranteed by the state and federal constitutions.

Under the act, a settlement or adjustment of a personal injury, while the person injured is under disability from the effect of the accidents or if made within 30 days after the injury, is void.

The court's ruling was in an action brought by Robert Peterson against William Panovitz, Grand Forks. A settlement by Panovitz's insurance company was made for \$600 while Peterson was said to be under physical disability, but the plaintiff sought to void the settlement.

The Connecticut Indemnity, running mate of the Security of New Haven, has entered Utah.

## Wisconsin Mutuals Oppose Plan of Workmen's Mutual

MILWAUKEE, July 27.—Action is to be brought in Milwaukee county circuit court by a number of mutuals seeking annulment of the charter of the Workmen's Mutual of Milwaukee. The complaint is being prepared and papers will be served soon. The action is based on the mutual's plan to sell memberships in the insurance corporation in connection with its casualty policies, which the complaining mutuals contend is a violation of state law.

### Court Authorizes Suit

The state supreme court recently granted permission to the mutuals to start suit. H. M. Wilke, counsel, appeared in support of the petition for the plaintiff companies, including the Employers Mutual Indemnity, Farmers Mutual Auto, Hardware Mutual Casualty, Wisconsin Automobile and Milwaukee Auto Insurance Co., Limited Mutual.

### Lower Cost Is Claimed

The Workmen's Mutual issues life memberships for an initial payment of \$15 and premiums then are charged for automobile insurance protection. It is claimed that protection cost is reduced through the membership plans and that other companies which do not have it are finding it difficult to compete. The result of the suit is being watched with great interest because other companies operating in other states on the same plan have applied for permission to enter Wisconsin.

Another angle of interest to underwriters is that H. L. Ekern, former Wisconsin insurance commissioner, is general counsel for the Workmen's Mutual. I. M. Duncan, secretary to Gov. Phil LaFollette, is president, and Olaf Johnson is secretary-treasurer. The mutual contends the life memberships in no way contravene Wisconsin insurance laws.

## Some Companies Are Taking the Best Depository Bonds

HOPING THE TURN IS MADE

Offices That Are Conservative in Their  
Underwriting Think Profit Time  
Has Arrived

NEW YORK, July 27.—Though the majority of the surety companies continue to display exceptional caution in the consideration of depository bond offerings, fearing that the sorry loss experience of the past 2½ years will continue in degree; other offices are pursuing a more consistent underwriting policy and are credited with having profited thereby. The lessened demand for coverage of late is not through any unwillingness of banking institutions to carry adequate depository coverage, but is rather the outcome of their inability to secure it, the surety market having contracted to such measure. Financial institutions of first rank in Philadelphia, Chicago, Cleveland, and other important cities have had their bond applications declined by many companies, making it impossible to get indemnity to the extent desired. In the minds of some underwriters companies that discriminate write depository bond business now will find the line a profitable one.

## Interesting Returns on 1931 Connecticut Casualty Field

A review of the casualty business for 1931, based on figures compiled from the annual statements filed by the companies with the Connecticut department shows decreases of \$719,556 in net losses and \$1,458,577 in net premiums received from Connecticut business.

All casualty companies had a total underwriting loss on country-wide business in 1931 of \$43,882,083, compared with a loss of \$26,900,908 in 1930, and \$12,520,981 in 1929.

Premium income of the Connecticut companies from country-wide business in 1931 was \$149,522,823, while net losses paid totaled \$80,595,165. Corresponding figures for 1930 were \$161,411,997 and \$83,285,266.

During 1931, Connecticut casualty companies wrote 19.89 percent of all casualty business, and 36.32 percent of such business written in Connecticut, by the 105 casualty companies and 14 accident departments of life companies.

The companies leading in Connecticut casualty business for 1931 were as follows: Travelers, \$2,958,165; Aetna Life, \$1,387,282; Lumbermen's Mutual Casualty, \$1,137,717; Hartford Accident, \$1,047,528; Aetna Casualty, \$771,643; Travelers Indemnity, \$700,754.

### Advocates Safety Precautions

NEW YORK, July 27.—Indifference to simple safety precautions is responsible for many summer accidents, R. H. Monaghan, assistant director of the public department of the National Bureau of Casualty & Surety Underwriters, declared in the course of a radio broadcast here. He described ways to avoid accidents while bathing, motoring, and indulging in other forms of recreation incident to the "playtime season," offering that "adults might learn safety from children, as the subject is now being taught in the schools."

### Takes Income Guaranty in Ohio

David Isquich has been appointed state manager in Ohio for the Income Guaranty of South Bend, Ind. He will have headquarters at Cleveland. He was formerly located at Rochester, N. Y., and had been associated with the Monarch Life and the Prudential.

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<b>PROP. DAMAGE</b>	<b>TEAMS</b>	<b>PLATE GLASS</b>	<b>WORKMEN'S</b>
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# General Accident



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## C. B. White Is New Head of Washington Agents League

(CONTINUED FROM PAGE 29)

M. B. Hevly, president of the King County Insurance Association, discussed "Local Agency Problems" as the initial address on board the "Princess Marguerite" en route to Victoria, on a combination business and pleasure trip. He declared that the metropolitan plan recently put in effect in Seattle was showing very good results and that he could heartily recommend it to the other associations in the state.

He attacked the question uppermost in the minds of the agents, that of collections. He asked for suggestions as how best to handle the problem. Partial payment had been recommended by a number and tried with varying success, but many believe that the companies should help the agent carry the load, discussion developed. The speaker recommended that local agents report their grievances to the presidents of their various associations, who would bring parties concerned together and iron out the differences.

The stability of companies was dwelt on and the local agent admonished to hold on to the good companies, rigidly inspect and select only good business for them and to belong to their trade organizations.

In the absence of President Davidson of the Tacoma Insurance Exchange, Harold Mann reported that his exchange had made real progress the past year, being now one of the three largest in the state.

Bruce Hay reported for the Spokane Insurance Association, J. E. Mitchell for the Thuston-Mason Exchange and Wallace Miller for the Yakima Insurance Association.

## Joyce Finds "Hole in Fog"

NEW YORK, July 27.—For the first time in three years W. B. Joyce, chairman of the National Surety, discerns a small "hole in the fog" that has surrounded general business conditions, justifying his belief by the forward looking movements inaugurated by the federal government. In a public statement setting forth his views Mr. Joyce pays tribute to the management of insurance companies, "which generally speaking have passed through the past two years of adversity in quite a remarkable way."

## Dr. H. L. Reis Resigns

Dr. H. L. Reis, for the past 20 years in charge of medical, claim and clinical work for the Aetna Life and affiliated companies at their New York City branch, has resigned to establish himself as an independent consultant. He has long been prominent in dealing with medical problems for the National Bureau of Casualty & Surety Underwriters, notably in the formulation of agreements between casualty companies and county medical societies, and in arbitrating between the two bodies.

## M. J. Scheemeacker Resigns

M. J. Scheemeacker has resigned as head of the bond department for the United States Casualty in Chicago. Mr. Scheemeacker has just recovered from an appendicitis operation. While he was in the hospital, H. M. Frost from the home office of the United States Casualty assumed temporary charge of the Chicago branch and he is continuing in that position for the time being. T. E. Dunne is assistant manager of the bond department.

## Casualty Notes

The Starkey Investment Company has been appointed general agent for the American Surety at San Diego, Cal.

The Western States Mutual Automobile of Freeport, Ill., has been licensed by the Illinois department to write automobile insurance.

## The Best Bet Today

A plan for multiple line agency managers who want to help their agents produce some new business at this time

What line of insurance in the multiple line agency today offers the best opportunity to get ready cash and new premiums? This question is being asked and answered in many multiple line agencies today and usually the answer is, "Accident Insurance."

While the managers of multiple line agencies are recognizing the possibilities of accident insurance, very few of them have worked out the necessary plans to make an accident insurance selling effort successful. A large part of the accident business on the books of multiple line agencies has been put there without hard selling effort. When a client accepted the idea that he needed accident insurance, the policy was written, oftentimes without any close regard to the client's particular needs. But that kind of selling is not being done today. So that most of the multiple line selling forces are soft and untrained in the effort to make a real accident sales fight.

If any multiple line agency manager doubts this statement, let him call a meeting of his agents and ask almost any one of them to come forward and demonstrate how he would present accident insurance. He will learn that the manager of his casualty department has a fair grasp on the policy terms but that the major part of an accident insurance contract is pure Greek to almost all other members of the agency. While it is not to be expected that every item in an accident policy should be presented to the buyer no insurance agent should be foolish enough to believe that he can sell much accident insurance unless he knows at least the major coverage of his contract.

Not only is it necessary to know the accident contract which is being presented but it is necessary also to know how to convince the prospect that accident insurance solves one of his problems of life for which he has not yet found a satisfactory solution. Many sales have been lost because the contract was explained while the prospect was still debating whether he really wanted and needed anything like accident insurance.

To assist multiple line agency managers who want to instruct and inspire their agents to write accident insurance at this time, The National Underwriter Company is making a special offer of two of its publications, ideally suited to furnish the manager with the selling information and suggestions necessary for this effort. These publications are Proved Premium Producers, of which E. H. Mueller, president of the National Association of Accident and Health Managers, says, "Today marks the seventeenth year that I have sold accident insurance, and I have never before gotten so many practical canvassing ideas and suggestions as I have gotten from these leading producers from all over the United States and Canada. There is not a dull or unprofitable page in this book. It is not taken up with discussions. It is filled with short reports on actual canvasses, sales ideas and pointers, given in the words of the salesman himself." This publication sells regularly for \$3.00. The second publication is the Short Course in Accident and Health Insurance, a series of six 10-page leaflets, bearing the following titles: 1. Your Job. 2. Earn While You Learn. 3. Management—Planning. 4. Management—Doing. 5. The Policy. 6. Underwriting.

This publication regularly sells for \$2.00.

**Order now and get both these publications for \$3.00. Use the coupon below.**

**The National Underwriter Company,**  
420 E. Fourth Street,  
Cincinnati, Ohio.

Gentlemen:

Send me your book, "Proved Premium Producers" and your Short Course in Accident and Health Insurance. I understand that these publications regularly sell for \$5.00 and I may now obtain both of them for \$3.00 plus delivery charges. I understand also that they will furnish me with plenty of material for instructing and inspiring an agency force to go after accident insurance.

Name .....

Agency .....

City and Street.....

State .....



# Standard Surety & Casualty Company

## —OF NEW YORK—

*Home Office: 80 John Street, New York, N. Y.*

### Financial Statement—June 30, 1932

#### ASSETS

CASH IN OFFICE AND BANKS.....	\$ 962,638.14
United States Government Bonds.....	1,562,333.42
Municipal Bonds .....	710,795.80
Railroad Bonds .....	246,657.56
Public Utility Bonds.....	170,398.71
Miscellaneous Bonds .....	29,283.43
Preferred Stocks .....	308,960.00
Common Stocks .....	369,887.88
Premiums in Course of Collection (Not over 90 days) .....	477,266.97
Accrued Interest .....	17,157.93
<b>TOTAL ADMITTED ASSETS (NEW YORK INSURANCE DEPART- MENT VALUATION BASIS) .....</b>	<b>\$4,855,379.84</b>

#### LIABILITIES

Reserve for Claims.....	\$ 592,120.00
Reserve for Claim Expenses.....	65,576.00
Reserve for Unearned Premiums.....	878,002.64
Reserve for Commissions.....	101,999.39
Reserve for Other Liabilities.....	52,535.52
<b>VOLUNTARY CONTINGENT RESERVE .....</b>	<b>608,944.30</b>
<b>TOTAL LIABILITIES EXCEPT CAPITAL .....</b>	<b>2,299,177.85</b>
<b>CAPITAL .....</b>	<b>1,500,000.00</b>
<b>NET SURPLUS .....</b>	<b>1,056,201.99</b>
<b>SURPLUS TO POLICYHOLDERS .....</b>	<b>2,556,201.99</b>
<b>TOTAL .....</b>	<b>\$4,855,379.84</b>

PRESIDENT  
Frank G. Morris

Vice President and Secretary  
Charles E. Heath

Vice President  
John R. English

## FIDELITY AND SURETY NEWS

### Big Surety Bond Is Written

Companies That Secured the Business  
From Babcock & Wilcox Co. on  
Hoover Dam Unit

NEW YORK, July 27.—Companies associated with the American Surety in writing the \$6,000,000 bond required by the federal government of the Babcock & Wilcox Co., successful bidders for the construction of a section of the Hoover Dam project, include the Aetna Casualty, Continental Casualty, Fidelity & Casualty, Fidelity & Deposit, Globe Indemnity, Hartford Accident, Maryland Casualty, Massachusetts Bonding, National Surety, New Amsterdam Casualty, Royal Indemnity and United States Fidelity & Guaranty, each with a limit of liability. The contract award was \$10,908,000, and the estimated time for its completion 2½ or three years. The premium on the bond is approximately \$178,000. In determining the rate the Towner Rating Bureau included a commission of 7½ percent. The broker in the transaction was F. L. Hadnot & Co. of this city, which has placed the Babcock & Wilcox business for a number of years.

#### Compared With Performance Bond

Surprise was expressed in certain quarters that whereas a bond of \$6,000,000 was called for by the government in connection with the \$10,908,000 award to the Babcock & Wilcox Co. for the construction of a division of the Hoover Dam project, the performance bond accepted when award was made to the Six Companies of San Francisco in March, 1931, for the completion of a far larger division of the enterprise at a cost approximating \$55,000,000, was but \$5,000,000, 21 surety companies participating in its issuance. The explanation is that the original contract dealt with a phase of engineering unique in the history of the business, and one which few contracting concerns were qualified to undertake. It was felt at the time that a bond in the customary amount of 50 per cent of the contract award would be impossible to secure, as it undoubtedly would have been, and that the writing of a \$5,000,000 bond would practically exhaust the available surety market.

#### Original Bond More Hazardous

While the section of the general project assigned to the Babcock & Wilcox Co. is a highly important one, it by no means involves the problems attaching to the general construction work undertaken by the Six Companies. Hence the willingness of surety offices to assume the bond hazard in the larger amount.

The award to the Six Companies some 16 months ago will be recalled as occasioning serious agitation over commis-

sion payments to agents. The rate for the performance bond promulgated by the Towner Rating Bureau included a commission rate of 5 percent, a figure paid by some of the interested companies and declined by others, on the theory that the 5 percent would be required for engineering inspection services by the associated offices.

### Can't Cancel Depository Bonds

Court Rules in Favor of State in Latest  
Development in Pennsylvania  
Over Deposits

PHILADELPHIA, July 27.—Surety companies have not the right and cannot cancel depository bonds. This was the decision handed down in three suits by Judge Wickersham in Dauphin county court.

The opinions rendered in the suits brought against judgments in favor of the state holds that the National Surety, the Union Indemnity and the Maryland Casualty, the companies involved, made no advance provision for cancellation of bonds and could not cancel without consent of the state.

These decisions represent the latest development in the legal controversies over state deposits in closed banks. These amounted to \$4,387,112 when Governor Pinchot, over-riding the agreement of State Treasurer Martin with the surety companies that the state would file as a preferred depositor to recover its funds instead of asking the companies to make good the amount of the bonds, directed Attorney General Schnader last March to proceed to recover from the surety companies.

The state senate, acting on a resolution introduced by Senator Samuel W. Salus, Philadelphia, last week authorized an investigation into the whole subject of the bonding of state deposits.

### Companies Ordered to Pay on Madison, Wis., Bank Loss

MADISON, WIS., July 27.—Holding that the legal status of state moneys was not changed by deposit in the defunct Capital City Bank, Circuit Judge Hoppmann ordered the United States Fidelity & Guaranty and Fidelity & Deposit to pay the state's claim of \$75,458, representing the difference between the \$250,000 already paid by the surety companies and the total state deposits in the bank at the time of its closing.

Judge Hoppmann granted the motion of counsel for the state to strike from the defendants' answers the paragraphs which denied that any funds deposited in the Capital City Bank in excess of \$250,000 were deposited by State Treas-

urer Sol Levitan in the bank as a state depository and that the deposit over \$250,000 owed by the bank to the state was made at the request or with the knowledge of the governor and attorney general to save the bank from bankruptcy.

W. M. Wolff, resident vice-president of the Fidelity & Deposit at Milwaukee, has announced that his company will appeal to the Wisconsin supreme court. M. H. Harriott, counsel for the U. S. F. & G. is studying the decision before making an announcement as to the next move of his client.

### Personal Sureties Slow Paying

LOUISVILLE, July 27.—That personal bonds for city or state deposits are far from liquid was shown here

when Col. C. C. Mengel, Henry Vogt and E. J. O'Brien, three directors of the defunct National Bank of Kentucky, tendered the city a check of \$24,000 against their liability, with plans for a like amount Sept. 1.

Thirteen directors were on bond of \$237,000 in one fund and \$261,000 in another. Payment of two-thirds of each of these claims was made by the bank more than a year ago, when a 67 percent dividend was paid depositors. This left \$79,000 in one account and \$87,000 in another. Suit has been brought against the 13 directors by the city, and will be heard Sept. 16. Some of the directors are financially unable to pay, and others have apparently made no effort, planning to wait and see how much will be needed after another dividend is paid by the bank.

## NEWS OF THE COMPANIES

### Company Reveals Solidity

Semi-annual Figures of Standard Surety  
& Casualty Show It to Be in  
Fine Shape

NEW YORK, July 27.—Among the companies that have made public their semi-annual figures thus far is the Standard Surety & Casualty of New York, of which F. G. Morris is president, showing assets \$4,855,379, and a policyholders' surplus of \$2,556,202, of which \$1,500,000 is capital. Notable among the assets is the heavy amount of cash in office and banks, United States government bonds and municipal bonds; the division of the items being respectively, \$962,638, \$1,562,333 and \$710,796. All valuations are on the basis fixed by the New York department. After making ample provision for all claims and the expense of their adjustment, and setting aside statutory reserves for unearned premiums, commissions and other liabilities, a voluntary contingent reserve of \$608,944 has been set up, thereby making assurance doubly sure. Mr. Morris from the launching of his company has insisted upon proper provision being made for every possible liability, determined that if there be any error in the computations it be on the side of undue liberality.

### Illinois Casualty Showing Some Handsome Increases

The Illinois Casualty of Springfield, Ill., has issued its semi-annual statement showing assets \$661,398 as compared with \$569,590, Jan. 1. On the amortized basis the assets as well as the surplus would be increased \$22,643. The premium reserve is \$244,209 as compared with \$210,466 the first of the year. The capital is \$200,000 and the

net surplus \$106,551 as compared with \$63,645. The net premiums for the first six months amount to \$303,618 as compared with \$236,146 for the similar period of 1931. For each \$1 of liability there is \$1.86 of assets. The company therefore has shown material progress during the six months.

### Wade Can't Accept Service

LANSING, MICH., July 27.—Ralph M. Wade, second deputy commissioner and receiver for the Michigan assets of the Southern Surety, has no authority to accept service for the company, the attorney general's department holds. The opinion is understood to be based on a recent decision of the Michigan supreme court denying a Michigan insurer any right to recovery from the defunct Pennsylvania Surety because the carrier had been formally dissolved and its affairs placed in the hands of the Pennsylvania commissioner as quasi-trustee.

### Reduction Is Ratified

Stockholders of the Penn General Casualty of Philadelphia have voted to ratify the proposal to reduce capital stock from \$500,000 to \$250,000, transferring the difference to surplus. Par value of each share is reduced from \$10 to \$5.

### Utica Mutual's Dividend

The Utica Mutual of Utica, N. Y., has decreased its policyholders' dividend from 20 percent to 15 percent on workmen's compensation and other policies except automobile. The regular 20 percent will be paid on automobile due to higher comparative earnings.

### Receivership Is Denied

A petition brought in the Massachusetts supreme court asking that a receiver be appointed to wind up the af-

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an agency  
contract with  
a Company  
that will  
help an  
agent when  
help is  
needed?



fairs of the Twin Mutual Liability of Boston, by Julius Shubert of Boston, has been dismissed by Judge Fred T. Field.

The Twin Mutual reinsured its business in the American Motorists of Chicago June 1, 1931, and ceased writing business. In liquidating its affairs, voluntarily, it developed that the assets were insufficient to meet all claims and an assessment of 30 percent was levied, as of Dec. 17, 1931.

The petition contended that a receiver would be able to function more quickly and more satisfactorily in handling the affairs of the liquidating company than the officers of the company, acting under the supervision of the commissioner of insurance, and the commissioner was criticized for not having at the outset appointed a receiver for the company.

## PERSONALS

**A. H. Stofft**, associate manager of the agency department of the Ocean Accident and Columbia Casualty, is in the central west this week on his initial tour of the companies' branch offices and general agencies.

**John E. Carroll**, for a number of years special agent of the Fidelity & Deposit, traveling out of the Columbus, O., branch has been appointed assistant manager. He started with the company in the accounting department at the home office as a boy. He displayed real talent in this direction and later was made traveling auditor. While performing the duty of the latter office, he went to Memphis, Tenn., from time to time where Col. R. Hill Carruth was then manager, having charge of the southwestern department. Miss Gladys Herring was the very attractive and efficient secretary to Colonel Carruth and the two met. The acquaintance formed, developed into a romance and a few years later they were married. In 1931 Mr. Carroll, with a group of more experienced field men, attended the post graduate school conducted at the home office of the Fidelity & Deposit, where he made a fine record.

While returning from Atlanta, **S. E. Belfi** of the accident and health department of the home office of the General Accident met with a serious accident. Four miles south of Staunton, Va., Mr. Belfi was driving around a sharp, wet curve and skidded, which resulted in his car going down a six-foot embankment through a fence and turning completely over. Mr. Belfi was accompanied by his wife and by what seemed almost a miracle neither was injured seriously. However, both received a shaking up and numerous scratches. Part of the fence came through the top of the car and missed Mr. Belfi's head by a few inches.

**Winant Van Winkle**, vice-president and general manager of the Commercial Casualty, has returned from a short western trip in the interest of the company. He plans to leave July 30 for his vacation.

**G. W. Powell** of Atlanta, who was formerly vice-president of the Georgia Casualty, has organized the Southern Insurance Securities Corporation and opened offices in the Atlanta National Bank building. It is a holding company for insurance companies. Before going with the Georgia Casualty he was with the American Mutual Liability in the south.

**Joseph Linder**, who has been working on special assignments for the Merchants Mutual Casualty of Buffalo as assistant vice-president and actuary, has joined the actuarial firm of **S. H. & Lee J. Wolfe** of New York City. He was formerly associated with the New York actuarial firm of Woodward, Fondiller & Ryan.

## WORKMEN'S COMPENSATION

### Oklahoma Changes Suggested

**Supreme Court Justice Calls Conditions in That State "Turbulent and Unsettled"**

OKLAHOMA CITY, July 27.—"Turbulent and unsettled" is the way the workmen's compensation law in Oklahoma is characterized in a statement prepared by Justice Fletcher Riley of the state supreme court for the state chamber of commerce. He advocates elimination of the state industrial commission, which administers the law. Entire operation of the workmen's compensation should be placed under the district courts of the state, he suggests.

It is pointed out by the supreme court justice that "Oklahoma led the Union in the number of industrial appeals during the past fiscal year, with the astounding number of 326." All other appellate courts of the 48 states combined had only 293 appeals in this class.

In the calendar year 1931, according

to the report of Commissioner Read, companies writing workmen's compensation insurance collected in premiums \$2,034,610, and paid claims of \$2,978,927, a loss ratio of 146.4 percent compared with 90.72 percent in 1930.

### Appears Before State Bodies

Associate General Manager William Leslie of the National Bureau of Casualty & Surety Underwriters appeared this week before the Wisconsin rating authorities in connection with the 1932 program for workmen's compensation rates and later was before the Minnesota authorities on a similar mission.

### Jail No Bar to Compensation

LINCOLN, NEB., July 27.—The fact that Ledro Conzuello was in jail during the time he was recovering from the injuries sustained while he was driving a truck for his employer, the Atlas Beverage Company, is no bar to his drawing workmen's compensation, the Nebraska supreme court holds. The employer contended that the sole jus-

tification for the law is that an injured employee may be compensated for time lost due to the accident from which he suffered, and that Conzuello lost nothing because of his imprisonment. The court said that it did not matter whether he spent the time in a jail or a hospital; he was injured in the course of his employment and is entitled to draw benefits under the law. Conzuello stayed at a party after he had delivered some beverages, and when returning the truck to the garage he ran down and injured a woman. It was for reckless driving that he was sentenced to jail.

### "Elected" Employees Under Act

RICHMOND, July 27.—The Virginia industrial commission says a county cannot evade its responsibility under the workmen's compensation act by electing its employees instead of hiring them. The decision was given in the case of Mrs. Bessie R. Tubbs and other dependents of H. L. Tubbs, killed while in the employ of the Prince William county board of supervisors when a tractor turned over on him. In resisting payment of compensation, the county claimed that Tubbs had been elected by the board and hence did not come under the terms of the workmen's compensation act.

## Special Rate Consideration for Farmers A "Scoop" for Illinois National Casualty Agents

SEVERAL years of careful underwriting automobile insurance exclusively indicates that farmers drive their automobiles fewer miles, less hours, at lower rates of speed and with infrequent accidents.

These facts are proven and the Management feels that a rate consideration is in order. We are not cheapening our service or providing less coverage but issuing our regular standard policy at a special rate to a preferred class of automobile owners.

This is one of the many reasons why Illinois National Casualty agents in Illinois and Indiana are increasing their volume. To be able to offer a reliable Stock Company policy to farmers at rates based upon the experience of that group is a sales fact well worth your consideration.

If you are interested in securing the insurance on more farmers' automobiles you will write to our nearest office today.

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Phone: 21646

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## Increase in Rate Is Now Arranged

(CONTINUED FROM PAGE 33)

ing of the rates committee a session of the representatives of each of the 11 regional bodies throughout the country was held, as was a short session at which conditions in Hawaii were considered.

### Leslie Gives Advice

Addressing company members of the National bureau, Associate General Manager William Leslie advises that the revised rates become effective in all non-controlled states except Michigan and New Mexico, Aug. 1, and in the last two mentioned states and those which require filings, at a date to be announced later. The new rates are applicable not only to new and renewal policies but to all existing contracts expiring on and after Sept. 1 as well.

To avoid confusion as to the application of the new rates and the program of graded acquisition and expenses as adopted by the stock companies, Mr. Leslie notes that upon all premiums up to \$1,000 on individual risks the commission to general agents or branch offices is 17½ percent; to regional agents 12½ percent, and to brokers, local and office agents 10 percent. On single risk premiums in excess of \$1,000, the commission scale to be respectively, 10 percent; 6 percent and 6 percent.

### Risk Is Defined

As a result of the reduction in the commission scale and in the total expense loading applicable to premiums in excess of \$1,000, a discount of 12½ percent shall be applied thereto. In applying this discount, the term "risk" is defined as "one legal entity or a combination of legal entities under the active management and financial control of the same interests insured through one originating source in one company under policies having a common expiration date and covering operations of a single state." Illustration is given of the application of the discount, as are copies of the risk increase endorsement discount and premium adjustment riders to be attached to policies.

Mr. Leslie is now in St. Paul in the interest of the new rate program for Minnesota, after having submitted a program for use in Wisconsin. So far as the agents of the country are concerned probably not more than 10 percent are affected by the reduction in commissions on large premiums, and hence may be counted upon to stand behind the program of the companies. In Minnesota as the revised plan embraces a restoration of the 2½ percent commission reduction ordered by the state commission last year, the agents no doubt will cordially support the intended arrangement. So far as Wisconsin is concerned it is figured 75 percent of the compensation business is written in local mutuals, one such institution securing the major part. Local representatives appreciate that the companies they represent must have added rates if they are to continue writing

### Casualty and Surety Underwriter Available

Young man 32, with 10 years' experience as field representative, office duties and underwriting desires position. Any location satisfactory. Had service in Ohio, Ky., and Tenn. with two companies. Excellent references. Address W-62, The National Underwriter.

in the state but likewise realize that if higher tariffs are imposed such of the business as is still written in stock offices will probably drift to their non-stock competitors.

The generally sympathetic attitude of agents toward the program is in sharp contrast with that assumed by members of the Insurance Brokers Association of New York who in a wire to the National bureau and to each of its member companies, protested any reduction in existing commissions.

### PROTEST OF BROKERS

The Insurance Brokers Association of New York has sent a telegram of protest to casualty companies against adoption of any sliding scale of commissions on compensation insurance. Executive Secretary B. M. Harris has advised members of the association of the action taken and is requesting them to lodge individual protests with the companies.

### Threat Is Made

"We emphatically protest," the telegram reads, "against adoption of proposed or any sliding scale of commissions on compensation insurance. Brokers giving adequate service to assureds cannot operate on less than 10 percent. If stock casualty companies do not need us, we decidedly do not need them. Do you wish to cause serious breach losing remaining profitable lines? We can easily protect ourselves without sacrificing best interests of our customers. You cannot count on our support if stock casualty companies are blindly unfair to representatives of the assured. Do not forget we are independent, not tied to stock companies."

### MINNESOTA WILL OBJECT

Assistant Attorney General Gurnee has delivered the opinion to the Minnesota Compensation Insurance Board that different sets of rates for participating and non-participating carriers may not be legally approved. Neither may a graduated plan of expense loadings according to size of risks be approved.

The attorney general said it is his opinion that there should be one rate for each classification. The participating group, he said, might properly receive the benefit of a favorable experience by way of dividends, but under Mason's statutes, section 3618, the board has authority to approve only one rate for each classification.

### Herman Opens Adjusting Office

BALTIMORE, July 27.—John G. Herman, who has been associated with the Charles T. Smith Company adjusting office for some time, has started business as an independent adjuster with offices at 30 Commerce street. Mr. Herman is specializing in automobile and casualty claim work. Mr. Herman has associated with him Earl G. Hyle, for a number of years claim manager of the Ocean Accident.

Mr. Herman has been in the casualty and automotive adjustment business for about 20 years. He started with the Fidelity & Deposit, then organized a casualty department for Rose & Smith. When the latter separated, Mr. Herman continued with Mr. Smith.

Carroll Bartholow, who was with the Charles T. Smith Company up to about six years ago, has again become associated with that office, succeeding Mr. Herman.



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**C**ALENDARS are inside bill boards hanging in your prospects' and customers' homes everlastingly hammering home the idea that you are the man to buy insurance from.

Calendars are indispensable—people need them for constant reference in their homes and places of business. There is no other form of inexpensive advertising that even approaches the longevity of calendars.

Calendars make ideal advertising for the insurance man who has only limited funds to spend for advertising. For less than \$30 a man can purchase 200 National Underwriter Insurance Calendars and distribute them to 200 of his select customers and prospects and know that his name and advertisement will be seen by them every day of the coming year. There is practically no waste in calendar advertising as you can give calendars only to people that have the money to buy insurance.

## Two Angles Considered

In designing its insurance calendars, The National Underwriter considered the problem from two angles: What kind of a calendar does the average person want to hang on his wall? (2) What type of calendar can best advertise the insurance man's business?

People's taste has been improved markedly in recent years, especially those people who are in position to pay substantial insurance premiums. Huge, poorly printed, red and black calendars that have the advertiser's name in letters ten inches high are no longer popular. Merchants and business men have improved their stores and offices and such a calendar looks out of place hung on their walls.

## New Size Proves Popular

Homes are better furnished nowadays and naturally loud, homely looking calendars are frowned upon. So it was decided to hold the size of the National Underwriter Calendar down to a size which would be practical and could be seen across the room yet would not be objectionable. The nine by sixteen inch size adopted has proven very popular and proves that this is the size calendar people want.

People like to look at pictures, because pictures tell the story better than words. Centuries ago Chinese wise men said "A picture is worth a 1,000 words" but in recent times people have become even more picture minded. Movies and newspaper rotogravure sections have contributed their share along this line. A recent advertising study of the reading habits of 40,000 newspaper readers showed that 90 percent read the picture page.

## Striking Pictures Used

With this in mind it was decided to use attractive and striking insurance pictures to illustrate National Underwriter Calendars because people like pictures and because pictures effectively present the needs and uses for insurance. A person gets tired looking at the same picture for twelve months so it was decided to have a new picture for each month so that when each old monthly sheet is torn off there is a renewed interest in the calendar.



Year around National Underwriter Insurance Calendars, with your name and advertisement printed at the top of every sheet, hang like an inside bill board in your prospects' and customers' home everlastingly hammering home the idea that you are the man from whom to buy insurance.

Furthermore twelve different needs and uses for insurance are thus shown.

The National Underwriter Insurance Calendars are tastily designed from an artistic standpoint. The two colors, grey and green, stand out yet harmonize. The pictures were carefully chosen, the twelve pictures costing several hundred dollars. The calendars are printed in rotogravure as this process produces pictures of unusually good tone and quality. Much time and money were spent in the preparation of these calendars so they would combine the two important points of being what people want to hang on their walls and what would best sell insurance.

## Benefit from Holiday Spirit

Another point in favor of calendar advertising is that the calendars can be distributed at Christmas time and you can benefit from the friendly holiday spirit. In order to tie up with the holiday atmosphere attractive greeting labels are included free with all calendars ordered wrapped for mailing.

If it is possible, it is best that you deliver your calendars yourself, wishing your customers a Merry

The National Underwriter Insurance Calendar has twelve large (9x16 inch) sheets with a different insurance sales picture and caption on every sheet. Your name is printed in large bold type at the top of every sheet where it is seen by all eyes. The twelve sheets are bound together at the top by a piece of tin which has a hinged eyelet for hanging. The calendar pad is large and can be seen across the room. The calendar is attractively printed in two color (grey and green) rotogravure.

The National Underwriter sells both fire and casualty and life insurance calendars for insurance men to distribute to their old customers and prospects. If you wish to see a complete sample send 10 cents in stamps and the style you desire to The National Underwriter, A-1946 Insurance Exchange, Chicago.

Christmas and a Happy New Year. But if you wish, you can purchase the calendars already inserted in pull string wrappers so all you have to do is to address the labels and put on three cents in stamps and drop them in the mail. The pull string wrappers have a heavy thread down the side and when it is pulled the wrapper comes off without damaging the calendar.

## Advisable to Order Early

Calendars have to be imprinted with your advertisement so you must order them early so as to get early delivery. This is especially true in case of National Underwriter Insurance Calendars because your name and advertisement is printed at the top of every sheet.

Another advantage of ordering your insurance calendars early is that you can secure the exclusive franchise for using National Underwriter calendars in your city, if it is less than 100,000 population, and get the jump on your fellow townsmen in the insurance business.

The National Underwriter will be glad to give you full information regarding its business building insurance calendars. Just write to A-1946 Insurance Exchange, Chicago. If you wish a complete sample of the calendar send 10 cents in stamps.

# 280 Millions

## PAID IN CLAIMS

*Enough to build  
a city of 56,000  
homes—as many  
as in Providence,  
Atlanta, Denver  
or St. Paul. . . .*



**P**ICTURE what 280 million dollars mean! That sum would build a city of fifty-six thousand homes at \$5,000 each—and there are only thirty-odd cities as large in the United States: for example, Providence, Atlanta, Denver or St. Paul.

There you have a fair picture of the tremendous total which, since 1896, has been promptly paid out in claims and adjustment expenses by the U. S. F. & G. Born at the end of a four-year depression, when the

troubles which brought about the Spanish-American War were causing grave concern, the U. S. F. & G. has passed through many storms in our economic life. Yet it has never been late in payment of a claim.

Today that prompt payment policy stands as a demonstration to agents and brokers that they are insuring the future of their own business when they insure clients with the U. S. F. & G. and the F. & G. Fire.

These *Local-Agency-Minded* Companies originated the slogan: "Consult your Agent or Broker as you would your Doctor or Lawyer."

### United States Fidelity and Guaranty Co.

*with which is affiliated*

### ... Fidelity and Guaranty Fire Corp. ...

Unexcelled service on all casualty, surety, fire, and inland marine lines through 11,000 Agencies and Branches in the United States and Canada. Home Offices: Baltimore, Maryland.